OSHIDORI
INTERNATIONAL HOLDINGS LIMITED

Incorporated in Bermuda
with limited liability
Stock Code : 622.HK

2024 Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. SAM Hing Cheong *(Chairman)*
Ms. WONG Wan Men
Mr. WONG Yat Fai

Independent Non-Executive Directors

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung

AUTHORISED REPRESENTATIVES

Ms. WONG Wan Men
Mr. WONG Yat Fai

AUDIT COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung *(Chairman)*

NOMINATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung *(Chairman)*

REMUNERATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung *(Chairman)*

COMPANY SECRETARY

Ms. LIU Tsui Fong

LEGAL ADVISORS

(As to Bermuda law)
Conyers Dill & Pearman

REGISTERED OFFICE

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Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

Hong Kong Stock Exchange: 622

MANAGEMENT DISCUSSION AND ANALYSIS

Oshidori International Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") recorded a net loss of HK$194.7 million for the year ended 31 December 2024 (the "**Year**") as compared to a net loss of HK$84.5 million for the year ended 31 December 2023 (the "**Previous Year**"). Such loss was mainly attributable to the combined effects of: (a) the net unrealised fair value loss on financial assets at fair value through profit or loss of HK$43.0 million; and (b) the share of loss from associates of HK$60.6 million.

BUSINESS REVIEW

The Group principally engages in investment holdings, tactical and/or strategical investments (including property investments), provision of financial services including the Securities and Futures Commission (the "**SFC**") regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance.

A. Financial Services

The Group is licensed by the SFC to conduct regulated activities including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management).

Brokerage commission income generated from the Group's securities brokerage services decreased by 8.3% to HK$1.1 million for the Year (Previous Year: HK$1.2 million). Interest income generated from provision of margin financing services decreased by 58.3% to HK$9.3 million for the Year (Previous Year: HK$22.3 million).

B. Credit and Lending Services

(i) Business Model

The Company, through its wholly owned subsidiaries, namely, Oshidori WW Resources Limited and Oshidori Citizens Money Lending Corporation Limited, conducts credit and lending business under the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong.

The Group maintains readily available funds and equips itself with sufficient lending capacities for capturing potential business opportunities. The Group finances its credit and lending business with its existing general working capital. The Group's credit and lending business has a unique business model with emphasis on the provision of sizeable loans to both corporate and individual clients with good financial standing and low credit risk (such as listed companies and individuals holding marketable assets).

The Group targets a niche market of high-profile borrowers (i.e. (a) listed companies; (b) companies with well-established businesses; (c) companies or individuals holding marketable assets; and (d) individuals whose occupations are executives, businessmen or professionals) in need of sizeable loans, who have a proven track record of making repayments. The Group grants loans only to recognised and creditworthy customers. The Group grants loans only to the customers (a) who are third parties and not connected with the Group; (b) who are introduced by the Group's directors, senior management, business partners or existing/previous borrowers; and (c) whose creditworthiness and loan collateral are evaluated and approved by the credit committee (the "**Credit Committee**") of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The management team of the Group's credit and lending business comprises the Credit Committee and 2 managers. During the year ended 31 December 2024, the Credit Committee consisted of two directors of the Group, who had over 13 years of working experience in an international banking group and around 20 years of experience in finance, investment and credit and lending industries, respectively. The Credit Committee has the power and authority to review and approve the loan applications. The Credit Committee is responsible for (i) assessing credit risks; (ii) overseeing the approval of credit applications and loan approvals; and (iii) managing customer relationships. The managers are responsible for (i) reviewing loan documentations, (ii) identifying potential problems; and (iii) recommending mitigating factors.

(ii) Internal Control Procedures

The Group has taken the following internal control measures in carrying out the credit and lending services business:

Credit risk assessment of customers

Potential customers are required to disclose and provide the Group with a list of information required for a loan application. The Group will then assess the creditworthiness of the potential customers and their repayment abilities, including legal due diligence. In particular, the following information is requested and considered as part of the process of assessing creditworthiness:

a) the potential customers' background and statutory information;

b) the potential customers' proof of income, including bank statements;

c) the amount and purpose of the loan;

d) the results of legal searches, such as litigation (or the absence of), on the potential customers; and

e) whether the Group and the potential customers have any prior dealings and, if so, the credit history of any such prior arrangements.

In making the approval decision, the Credit Committee considers the information set out above and assesses the potential customers' credit risk, the loan-to-value ratio and the proposed interest rate. The operations of the Credit Committee are subject to review by the Executive Directors of the Company.

Mechanism in determining loan terms

The request from each potential customer is unique. The loan terms are determined based on the potential customers' financial needs (e.g. type of loan, capital needs and loan tenure), credit risk assessment of potential customers and their financial repayment abilities. The loan interest rate is determined based on the result of credit risk assessment and reference to the market interest rate.

MANAGEMENT DISCUSSION AND ANALYSIS

Approval process for granting loans

Application and approval process are as follows:

a) collection of potential customer's information;

b) preliminary loan assessment and approval (if disapproved, reject loan application and inform the potential customer);

c) credit assessment – 3C's Assessment (i.e. character, capacity, and collateral):

- character is defined by credit and loan repayment history;
- capacity measures income and ability to service a loan or line of credit;
- collateral refers to asset(s) that could be leveraged for payment;

d) determine the terms of the loan and obtain approval from the Credit Committee (if disapproved, reject loan application and inform the potential customer);

e) prepare board minutes to approve the loan and notify the potential customer of the loan approval;

f) prepare all relevant loan documents and explain the terms of the loan and the associated loan documents to the potential customer;

g) execution of the relevant loan documents and prepare loan disbursement; and

h) review and file the loan documents in the filing cabinets.

Monitoring loan repayment and recovery

The status of outstanding loan principals and interest collection is monitored by the Credit Committee, two managers and accounting department on a daily basis by reviewing daily reports. On the maturity date, the Credit Committee communicates with borrowers by phone regarding their financial conditions and source of repayment to ascertain whether borrowers have any difficulty in making their repayments on time; and the Credit Committee also reminds borrowers to make timely repayments of their loans. When borrowers request for loan extension, the Credit Committee would request the managers and accounting department to ascertain and review the borrowers' financial condition through publicly available information (such as website of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and press media, etc) so as to assess the recoverability of loans. In the event that there is no such publicly available information, the Credit Committee would request the respective borrowers for their updated financial information.

Taking actions on delinquent loans

When a loan is overdue, the Group will contact the borrower and guarantor (if any) to remind them of the possible enforcement action(s) and timing of repayment and seeking reasons for the delay in repayment. The Group will also issue demand letter(s) to the borrowers. If the Group does not receive any favourable reply from the borrowers, the Group will instruct legal advisers to take legal actions for recovery of outstanding loan principal and accrued interest.

MANAGEMENT DISCUSSION AND ANALYSIS

The action plans are determined based on the individual situation on a case by case basis. In general, the Group takes into account factors such as whether the pledged assets provided by the borrowers are sufficient in value; and whether there are any bona fide settlement offers made by the borrowers.

In case the market value of pledged assets falls below the outstanding loan amount, the Group may request the borrowers to increase the pledged assets. In case the borrowers can provide the Group with bona fide settlement proposal, the Group may consider withholding legal action against the borrowers and accept the settlement proposal in order to save legal costs and time.

(iii) Major Terms of Loans

As at 31 December 2024, the Company's credit and lending services business had 22 customers (all of them are independent third parties) and the total net loan receivables including both fixed and variable rate loan advances was HK$626.3 million (2023: HK$272.5 million).

Among these loan receivables, totalling HK$7.3 million (2023: totalling HK$14.8 million) were secured by the pledge of certain collateral and personal guarantees (2023: the pledge of certain collateral and personal guarantees), bearing interests ranging from HKD Prime Rate plus 2.75% to 9% (2023: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (2023: between 12 months and 18 months).

The remaining balance of HK$619.0 million (2023: HK$257.7 million) were unsecured, and bearing interests ranging from 3% to 8% (2023: 5% to 8%) per annum. Out of these unsecured loan receivables, HK$568.4 million has contractual loan period between 9 months and 1 year, HK$44.5 million has contractual loan period between over 1 year and 2 years, and HK$6.1 million has contractual loan period over 5 years (2023: between 3 months and 5 years and over 5 years).

During the year ended 31 December 2024, the Group offered attractive interest rate to borrowers (as low as 3% per annum) as special promotion and on ad hoc basis. Such interest rate was offered as a special promotion to maintain amicable business relationship with our borrowers whose credit assessment were of satisfactory results.

Interest income from loan receivables for the Year was HK$28.9 million (Previous Year: HK$14.6 million), which was increased by 97.9% as compared to the Previous Year.

(iv) Top Five Borrowers

As at 31 December 2024, the loan and interest receivables from the largest borrower was HK$59.8 million (representing approximately 9.5% of the total loan and interest receivables of the Group) while the loan and interest receivables from the five largest borrowers together was HK$260.3 million (representing approximately 41.6% of the total loan and interest receivables of the Group).

MANAGEMENT DISCUSSION AND ANALYSIS

(v) Impairment Loss on Loan Receivables

The Group has conducted an impairment assessment of the loan receivables according to the accounting standards. In accordance with "Hong Kong Financial Reporting Standard 9 – Financial Instruments", an entity shall at the end of each reporting period measure impairment of financial assets using the expected credit loss (the "**ECL**") approach, i.e. to assess how current and future economic conditions impact the amount of loss.

Bases of impairment assessment and valuations or other evidence to support the impairment assessment

For the purpose of impairment assessment, the Group has established a loan credit risk classification system. Each loan receivable was assessed individually and was classified into the following three categories of internal credit rating:

- Performing refers to loans that have not had a significant increase in credit risk and for which ECL in the next 12 months will be recognised;

- Under-Performing refers to loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised; and

- Not Performing refers to loans that have objective evidence of impairment and for which the lifetime ECL will be recognised.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the loan receivable is credit-impaired, the Group has taken into account the following factors:

a) historical actual credit loss experience for the borrower; and

b) financial position of the borrower by reference to its management or audited accounts and available press information adjusted for forward-looking factors that are specific to the borrower and general economic conditions of the industry in which the borrower operates.

There was no change in the estimation techniques or significant assumptions made during the Year.

Reasons for the movements in impairment provisions

According to the impairment assessment, loss allowance of HK$40.8 million (2023: HK$11.1 million) was recognised for the loan and interest receivables outstanding as at 31 December 2024. Details of the reasons for the increase in impairment provisions by HK$29.7 million are set out below:

a) during the Year, a reversal of loss allowance of HK$4.7 million was mainly made for loan and interest receivables of HK$85 million (as at 31 December 2023) upon recovery;

MANAGEMENT DISCUSSION AND ANALYSIS

b) during the Year, loss allowance of HK$12.8 million was made for new loan and interest receivables of HK$492.6 million (as at 31 December 2024) which were classified as Performing; and

c) during the Year, loss allowance of HK$15.3 million was made for increase in loan and interest receivables by HK$102.7 million (as at 31 December 2024) which were classified as Under-Performing due to the failure of the borrower to repay the loan upon maturity and the deterioration of the borrower's financial capability.

C. Tactical and/or Strategical Investments

The Group engages in tactical and/or strategical investments of a diversified portfolio overseen by a professional investment team that holds Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licences under the Securities and Futures Ordinance. Negative income from this segment amounted to HK$46.3 million for the Year (Previous Year: HK$26.5 million).

The Group's vision is to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value to the shareholders of the Company.

The Group strives to achieve excellent results and performance through the Group's tactical and/or strategical investments segment – creating value through investment selection and disposal, and demonstrates resilience in adverse market conditions. The Group has formulated a criteria to identify appropriate investments, established the basis for evaluation, and categorized such investments to reflect their significance and contribution to the Group. The holding size and holding periods are dependent upon the reasons for the acquisition, the strategic value of the investments, and the potential returns. The Group may consider realizing certain investments based on the internal resources' requirements, the increase/decrease in valuations that trigger the threshold for disposal, and the availability of alternative investment opportunities that may be superior in returns compared to existing holdings from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

THE GROUP'S INVESTMENTS

A breakdown of the Group's investments (with a value of 5% or more of the Group's total assets) as at 31 December 2024 is set out below:

Name of investments	Number of shares held as at 31 Dec 2024	Percentage of shareholding held as at 31 Dec 2024	Realised gain/(loss) through other comprehensive income for the year ended 31 Dec 2024	Unrealised gain/(loss) for the year ended 31 Dec 2024	Unrealised gain/(loss) through other comprehensive income for the year ended 31 Dec 2024	Dividends received for the year ended 31 Dec 2024	Approximate% to the Group's total assets as at 31 Dec 2024	Investment cost	Fair value/ carrying amount as at 31 Dec 2024
			HK$'000	*HK$'000*	*HK$'000*	*HK$'000*		*HK$'000*	*HK$'000*
Listed shares in Hong Kong									
– Shengjing Bank Co., Ltd. (stock code: 2066)	293,034,000	12.52%	–	1,274	121,800	–	10.93%	1,972,015	351,641
– ZhongAn Online P & C Insurance Co., Ltd. (stock code: 6060)	16,476,400	1.16%	(124)	–	(90,543)	–	6.03%	416,186	194,092
Unlisted shares									
– Future Capital Group Limited	3,750	17.81%	–	–	(111,000)	–	12.37%	750,000	398,000

MANAGEMENT DISCUSSION AND ANALYSIS

The performance and prospects of such significant investments during the Year were as follows:

1. **Shengjing Bank Co., Ltd. ("Shengjing") (Stock Code: 2066)**
   Shengjing and its subsidiaries principally engage in the provision of corporate and personal deposits, loans and advances, settlement, treasury business and other banking services as approved by the National Financial Regulatory Administration.

   According to the annual results announcement of Shengjing for the year ended 31 December 2024, the total assets of Shengjing amounted to RMB1,122.776 billion, the total loans and advances to customers amounted to RMB500.592 billion, the operating income amounted to RMB8.577 billion and the net profit amounted to RMB643 million.

   From a long-term perspective, Shengjing appears to have good prospects and the Company considers its investment in Shengjing has strategic investment value.

2. **ZhongAn Online P & C Insurance Co., Ltd. ("ZhongAn") (Stock Code: 6060)**
   ZhongAn is an online Insurtech company in the PRC and is principally engaged in the provision of insurance products and solutions in the context of four major ecosystems, namely health, digital lifestyle, consumer finance and auto ecosystems.

   According to the annual results announcement of ZhongAn for the year ended 31 December 2024, the total assets of ZhongAn amounted to approximately RMB45,285 million, the net assets amounted to approximately RMB20,926 million, the total income amounted to approximately RMB34,131 million and the net profit amounted to approximately RMB603 million.

   After the Year, the Group disposed of all its investment in ZhongAn and ceased to hold any shares of ZhongAn.

3. **Future Capital Group Limited ("Future Capital")**
   Future Capital was incorporated in the Cayman Islands with limited liability and it principally engages in property investments.

   Hong Kong's government has abolished all property cooling measures and eased mortgage restrictions, to stimulate the buying power of real estates and attract investors to participate in Hong Kong real estate sector.

   From a long-term perspective, Future Capital appears to have good prospects and the Company considers its investment in Future Capital has strategic investment value.

Going forward, the Group will continue to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value for our shareholders. Although the market sentiment is expected to gradually improve, the overall economic outlook still remains uncertain. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate capital to meet the challenges ahead. The Group did not have any plan for material investments or capital assets as at 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Review of Results

The Group recorded a total revenue of HK$36.1 million for the Year, representing a decrease of 40.0% as compared with the amount of HK$60.2 million for the Previous Year. Income from financial services segment amounted to HK$10.5 million (Previous Year: HK$25.7 million). Negative income from tactical and/or strategical investments segment amounted to HK$3.4 million (Previous Year: income of HK$19.9 million). Income from credit and lending services segment amounted to HK$28.9 million (Previous Year: HK$14.6 million).

The Group recorded a net loss of HK$194.7 million for the Year (Previous Year: net loss of HK$84.5 million). Such loss was mainly attributable to the combined effects of: (a) the net unrealised fair value loss on financial assets at fair value through profit or loss of HK$43.0 million; and (b) the share of loss from associates of HK$60.6 million. Basic and diluted loss per share for the Year were HK cents 3.15 and HK cents 3.15 respectively (Previous Year: basic and diluted loss per share of HK cents 1.38 and HK cents 1.38 respectively). The net profit of financial services segment was HK$0.3 million (Previous Year: HK$7.5 million). The net loss of tactical and/or strategical investments segment was HK$60.8 million (Previous Year: HK$50.8 million). The net loss of credit and lending services segment was HK$22.6 million (Previous Year: net income of HK$26.2 million).

Capital Structure

The Company has not conducted any equity fund raising activities during the Year. In January 2024, 75,000,000 new ordinary shares of the Company were issued pursuant to the vesting of awarded shares granted under the share award scheme adopted by the Company on 19 December 2019. In July 2024, 1,026,000 ordinary shares of the Company were cancelled in respect of repurchase of shares. As at 31 December 2024, the Company has 6,183,233,139 shares in issue.

The total asset value of the Group as at 31 December 2024 was HK$3,217.8 million (2023: HK$3,888.4 million). The net asset value of the Group as at 31 December 2024 was HK$3,036.2 million (2023: HK$3,731.0 million). The net asset value per share as at 31 December 2024 was HK$0.49 (2023: HK$0.61). Apart from financial assets being held by the Group for its tactical and/or strategical investments, the Group also holds substantive assets which mainly comprise tangible assets such as cash and bank balances and trade, loan and other receivables.

Charges on Group Assets

As at 31 December 2024, the Group's borrowings included margin loans of HK$79.8 million (2023: HK$10.1 million) and a secured bank loan of HK$49.3 million (2023: HK$51.2 million). The bank loan is secured by a property, the fair value of which as at 31 December 2024 was HK$80.4 million (2023: HK$86.5 million). The margin loans are secured by pledge of equity securities to securities brokers as collaterals, with total market value of HK$113.6 million as at 31 December 2024 (2023: HK$129.3 million). As at 31 December 2024, the Group's borrowings are interest bearing at HIBOR plus 1.3% per annum or at a fixed rate of 7.2% per annum (2023: HIBOR plus 1.3% per annum or at HIBOR 1 month rate plus 3.8% per annum) and repayable on demand (2023: repayable on demand).

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 31 December 2024 was HK$282.4 million (2023: HK$348.1 million). The cash and cash equivalents and financial assets at fair value through profit or loss in aggregate as at 31 December 2024 were HK$432.2 million (2023: HK$572.9 million).

The liquidity of the Group remained strong with a current ratio of 7.1 as at 31 December 2024 (2023: 7.5). The Group had borrowings of HK$49.3 million as at 31 December 2024 (2023: HK$51.2 million) and the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) as at 31 December 2024 was 1.6% (2023: 1.4%).

Exposure to Fluctuation in Exchange Rates and Related Hedges

Save for certain bank balances that are denominated in Renminbi ("**RMB**") and United States dollar ("**USD**"), most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar. As at 31 December 2024, the bank balances denominated in RMB and USD amounted to HK$13.7 million and HK$75.7 million respectively. Therefore, the Group's exposure to the risk of foreign exchange rate fluctuations is not material. For the Year, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The directors of the Company (the "**Directors**") will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

Capital Commitments

The Group did not have any capital commitments in respect of the acquisition of property and equipment as at 31 December 2024 (2023: Nil).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2024 (2023: Nil).

OUTLOOK AND CORPORATE STRATEGY

Looking ahead, the risk of economic downturns is growing as the global political and economic landscape experiences new challenges.

The Group will continue to adopt a wait and see approach in tackling the unstable and unpredictable economic conditions. The Group will adopt a conservative attitude but keep a watchful eye on the market.

Dealing with the future challenges, the Management will review and adjust business strategies on a regular basis with a prudent and balanced risk management approach.

MATERIAL TRANSACTIONS

On 8 May 2024, a wholly owned subsidiary of the Company entered into a memorandum of agreement with a third party in respect of the disposal of a yacht for a consideration of EUR14.6 million. The disposal was completed on 14 June 2024. For further details, please refer to the announcement of the Company dated 9 May 2024.

SIGNIFICANT EVENTS AFTER THE YEAR

From 2 October 2024 to 26 February 2025, the Company, through its wholly owned subsidiaries, disposed of a total of 18,479,000 shares of ZhongAn through a series of transactions on the open market for an aggregate consideration of HK$254.6 million (exclusive of transaction costs). For further details, please refer to the announcement of the Company dated 28 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINAL DIVIDEND

The board of Directors (the "**Board**") does not recommend payments of any final dividend for the Year (2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed 23 (2023: 23) full time employees for its principal activities. The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Remuneration packages consisted of salary as well as discretionary bonus. Other benefits include medical and retirement benefits and share options.

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

During the Year, 1,026,000 ordinary shares of the Company were repurchased on the Stock Exchange with the aggregate consideration paid (before expenses) amounting to HK$141,288.

Particulars of the share repurchases are as follows:

Month	Number of shares repurchased	Price paid per share		Aggregate consideration (before expenses)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
June 2024	1,026,000	0.142	0.127	141,288

The repurchased shares were cancelled in July 2024.

Save as disclosed above, there was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Year.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

EXECUTIVE DIRECTORS

Mr. Sam Hing Cheong ("Mr. Sam"), aged 43, has been an executive director and chairman of the Company since 1 July 2023. Mr. Sam is also a member of the nomination committee and remuneration committee of the Company, and a director of several subsidiaries of the Company. He was a non-executive director of the Company from 5 June 2020 to 30 June 2023; an executive director and chairman of the Company from 28 January 2019 to 4 June 2020; an executive director and acting chairman of the Company from 5 April 2017 to 27 January 2019; and an executive director and chief executive officer of the Company from 27 March 2012 to 5 April 2017. Additionally, he served as an executive director and the vice chairman of Blue River Holdings Limited (stock code: 498), a company listed on The Stock Exchange of Hong Kong Limited, from 1 April 2021 to 30 June 2023. Mr. Sam is also presently a practising solicitor and partner at Hauzen LLP. He holds a Bachelor of Laws with Honours and a Bachelor of Arts from the University of Waikato, New Zealand, and is admitted as a solicitor in Hong Kong, England and Wales, the British Virgin Islands and New Zealand, as well as an attorney in the Republic of the Marshall Islands.

Ms. Wong Wan Men ("Ms. Wong"), aged 40, was appointed as an executive director of the Company with effect from 28 January 2019. Ms. Wong is also a member of the nomination committee and remuneration committee of the Company. Ms. Wong holds a Bachelor of Social Science in Economics with Honours from The Chinese University of Hong Kong. Ms. Wong has over 10 years extensive experience in corporate finance advisory. Prior to joining the Group, Ms. Wong held senior positions in the corporate finance advisory division of several financial services groups in Hong Kong. Currently, she holds directorship in several subsidiaries of the Company. Ms. Wong is familiar with the operation and management of the Company and provides corporate finance advice to the Group. Ms. Wong's contributions to financial services business of the Group have been greatly valued by the Board.

Mr. Wong Yat Fai ("Mr. Wong"), aged 65, was appointed as an executive director of the Company on 19 April 2017. He also holds directorship in several subsidiaries of the Company. Mr. Wong holds a professional diploma in banking from The Hong Kong Polytechnic University. Mr. Wong has over 13 years of working experience in an international banking group.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hon. Chan Hak Kan, *S.B.S., J.P.* ("Hon. Chan"), aged 48, was appointed as an independent non-executive director of the Company on 6 April 2017. Hon. Chan is also a member of the audit committee, nomination committee and remuneration committee of the Company. He has been a member of the Hong Kong Legislative Council since October 2008 and a member of the Hong Kong Executive Council since July 2022. Hon. Chan graduated from The Chinese University of Hong Kong with a Bachelor of Social Science (Hons) degree in 1997 and a Master of Social Science (Law and Public Affairs) degree in 2003. From 2000 to 2003, Hon. Chan served as an elected member of the Sha Tin District Council. In 2012, he was appointed as a Justice of the Peace by the Chief Executive of Hong Kong and in 2021, he was awarded the Silver Bauhinia Star. From 2012 to 2018, he was a member of the Beat Drugs Fund Association. From 2017 to 2022, Hon. Chan was a member of ICAC Advisory Committee on Corruption. Since March 2022, he is a member of the Advisory Board of Po Leung Kuk and since June 2022, he is a non-executive director of The Hong Kong Mortgage Corporation Limited. Hon. Chan is currently an independent non-executive director of Xinyi Electric Storage Holdings Limited (stock code: 8328), the securities of which are listed on the GEM of the Stock Exchange, and an independent non-executive director of Imagi International Holdings Limited (stock code: 585) and China Resources Power Holdings Company Limited (stock code: 836), the respective securities of which are listed on the main board of the Stock Exchange.

Mr. Hung Cho Sing, *B.B.S.*, ("Mr. Hung"), aged 84, was appointed as an independent non-executive director of the Company with effect from 6 April 2017. Mr. Hung is also a member of the audit committee, remuneration committee and nomination committee of the Company. He has over 30 years of experience in the film distribution industry. Mr. Hung was the founder and general manager of Delon International Film Corporation since June 2004. Mr. Hung is currently the Chairman of Hong Kong, Kowloon and New Territories Motion Picture Industry Association. In recognition of his contribution to the Hong Kong film industry, Mr. Hung was awarded the Bronze Bauhinia Star (BBS) by the Government of Hong Kong in 2005. Mr. Hung was a non-executive director of Universe Entertainment and Culture Group Company Limited (stock code: 1046) from 1 February 2019 to 31 July 2019 and Miko International Holdings Limited (stock code: 1247) from 14 April 2016 to 16 June 2023, the respective securities of which are listed on the main board of the Stock Exchange. Currently, Mr. Hung is an independent non-executive director of China Star Entertainment Limited (stock code: 326) and Harbour Digital Asset Capital Limited (stock code: 913), the respective securities of which are listed on the main board of the Stock Exchange. He is also an independent non-executive director of KOALA Financial Group Limited (stock code: 8226), the securities of which are listed on the GEM of the Stock Exchange.

Mr. Lam John Cheung-wah ("Mr. Lam"), aged 70, was appointed as an independent non-executive director of the Company with effect from 1 August 2022. Mr. Lam is also a member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Lam has over 30 years of experience in banking, finance and investment. He holds a bachelor of business management degree from Ryerson Polytechnical Institute (currently known as Toronto Metropolitan University) in Toronto, Canada, and is a fellow of The Institute of Canadian Bankers and a fellow of The Royal Institution of Chartered Surveyors. Mr. Lam is the vice president of China Real Estate Chamber of Commerce Hong Kong and International Chapter Limited. He was a member of the 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference. Mr. Lam once acted as the Vice Chairman and an Executive Director of Nan Fung Property Holdings Limited in China Property Division between February 2013 and December 2021, and he has served as its advisor since January 2022. Mr. Lam is also an independent non-executive director of Wing Lee Property Investments Limited (stock code: 864), Blue River Holdings Limited (stock code: 498) and Envision Greenwise Holdings Limited (stock code: 1783), the respective securities of which are listed on the main board of the Stock Exchange, since February 2013, August 2022 and June 2023 respectively.

PROFILES OF DIRECTORS AND COMPANY SECRETARY

Mr. Yu Chung Leung ("Mr. Yu"), aged 54, was appointed as an independent non-executive director of the Company with effect from 25 July 2022. Mr. Yu is also the chairman of the audit committee, nomination committee and remuneration committee of the Company. Mr. Yu has over 28 years of experience in auditing and accounting. He holds a Master of Arts in international accounting from City University of Hong Kong. Mr. Yu is a member and an authorized supervisor of the Hong Kong Institute of Certified Public Accountants. He is a fellow member of The Association of Chartered Certified Accountants, a chartered tax adviser of The Taxation Institute of Hong Kong and a practising certified public accountant in Hong Kong. He is also a member of the Process Review Panel for the Financial Reporting Council and an appointed member of the 7th term Yuen Long District Council. Mr. Yu has been an independent non-executive director of Narnia (Hong Kong) Group Company Limited (stock code: 8607), Blue River Holdings Limited (stock code: 498), Envision Greenwise Holdings Limited (stock code: 1783) and Esprit Holdings Limited (stock code: 330) since January 2019, August 2022, December 2023 and January 2025 respectively.

COMPANY SECRETARY

Ms. Liu Tsui Fong ("Ms. Liu") was appointed as company secretary of the Company on 29 October 2019. The Company Secretary supports the Board by ensuring an unimpeded flow of information within the Board and that policies and procedures formulated by the Board are followed. Ms. Liu is responsible for advising the Board on governance matters and facilitates induction and professional development of the Directors. The appointment and dismissal of the Company Secretary are subject to the Board's approval in accordance with the Company's bye-laws. All members of the Board have access to the advice and services of the Company Secretary. Ms. Liu has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

REPORT OF THE DIRECTORS

The directors (the "**Directors**") of Oshidori International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries as at 31 December 2024 are set out in note 40 to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the business of the Company for the year ended 31 December 2024, which includes a discussion and analysis of the Group's performance during the year ended 31 December 2024 and the material factors underlying its results and financial position as well as the outlook of the Company's business are provided in the "Management Discussion and Analysis" section on pages 3 to 13 of this Annual Report. An analysis of the Group's performance during the year ended 31 December 2024 using financial key performance indicators is provided in the "Financial Summary" section on page 176 of this Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout this Annual Report particularly in note 36 to the consolidated financial statements and the "Management Discussion and Analysis" section on pages 3 to 13 of this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors are aware, during the year ended 31 December 2024 and up to the date of this Annual Report, the Group has complied in material respects with the relevant laws and regulations that have a significant influence on its business and operations.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

As the Group principally engages in financial services, the Group has always paid great attention to and maintained a good relationship with its customers, and has been providing quality professional and customer-oriented services for its customers. The Group's customers are good working partners creating value for the Group. Due to the nature of the business of the Group, no specific suppliers are involved in the operation of business. The Group also values the knowledge and skills of its employees, and continues to provide favourable career development opportunities for its employees.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 85 of this Annual Report.

The board of Directors (the "**Board**") does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

PROPERTY AND EQUIPMENT

Details of the movements in the property and equipment of the Group during the year ended 31 December 2024 are set out in note 15 to the consolidated financial statements.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 31 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2024 are set out in the consolidated statement of changes in equity on page 90 of this Annual Report and note 41 to the consolidated financial statements respectively. During the year ended 31 December 2024, no reserves had been utilised for distribution. As at 31 December 2024, the Company's reserves that were available for distribution to the shareholders (the "**Shareholders**") of the Company amounted to approximately HK$2,679,176,000 (2023: HK$3,356,198,000).

DIRECTORS

The Directors during the year and up to the date of this Annual Report were:

Executive Directors:

Mr. Sam Hing Cheong *(Chairman)*
Ms. Wong Wan Men
Mr. Wong Yat Fai

Independent Non-Executive Directors:

Hon. Chan Hak Kan, *S.B.S., J.P.*
Mr. Hung Cho Sing, *B.B.S.*
Mr. Lam John Cheung-wah
Mr. Yu Chung Leung

Pursuant to Bye-law 84(1) of the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Pursuant to Bye-law 84(2) of the Bye-laws of the Company, the Directors to retire shall be those who wishes to retire and not to offer himself for re-election and those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. Accordingly, Hon. Chan Hak Kan, Mr. Hung Cho Sing and Mr. Lam John Cheung-wah, being the Directors longest in office since their last re-election, shall retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election at that meeting.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of his independence. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

REPORT OF THE DIRECTORS

SHARE OPTION SCHEMES

(A) 2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the "**2012 Share Option Scheme**") for the purpose of enabling the Group to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons. The eligible persons under the 2012 Share Option Scheme include (a) any full time or part time employees of the Group and any directors of the Group; (b) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any member of the Group; (c) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, any person referred to in (a) or (b) above; (d) a company wholly beneficially owned by any person referred to in (a) or (b) above; and (e) such other persons (or classes of persons) as the Board may in its absolute discretion determine.

Under the 2012 Share Option Scheme, the Directors may at their discretion grant options to any eligible person to subscribe for shares in the Company. The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Consideration to be paid on each grant of option is HK$1.00. The Directors may at their discretion determine the specific exercise period which should expire in any event no later than ten years from the date of grant of the relevant option. The minimum period, if any, for which an option must be held before it is vested, shall be determined by the Board in its absolute discretion. The exercise price is determined by the Directors and will be at least the highest of (i) the closing price of a share of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on the date on which an option is granted; (ii) the average closing prices of a share of the Company as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share of the Company on the date on which an option is granted. Further details of the 2012 Share Option Scheme were set out in the Company's 2021 annual report.

The 2012 Share Option Scheme had a life of 10 years and expired on 17 May 2022. No further options shall thereafter be granted under the 2012 Share Option Scheme but all the then outstanding share options granted under the 2012 Share Option Scheme continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme. No service provider sublimit was set under the 2012 Share Option Scheme.

REPORT OF THE DIRECTORS

Details of movements in the share options of the Company granted under the 2012 Share Option Scheme during the year ended 31 December 2024 are as follows:

Name/category of grantee	Date of grant	Number of share options: Outstanding as at 1/1/2024	Granted during the year	Lapsed during the year	Outstanding as at 31/12/2024	Exercise price per share *HK$*	Exercise period
Directors							
Wong Wan Men	22/1/2020 (Note 1)	20,000,000	–	–	20,000,000	0.865	22/1/2020 – 21/1/2030
Sub-total		**20,000,000**	**–**	**–**	**20,000,000**		
Employees (In aggregate)	29/3/2019 (Note 2)	72,000,000	–	–	72,000,000	0.820	29/3/2019 – 28/3/2029
Other participants (In aggregate) (Note 3)	22/1/2020 (Note 1)	100,000,000	–	–	100,000,000	0.865	22/1/2020 – 21/1/2030
Total		**192,000,000**	**–**	**–**	**192,000,000**		

Notes:

(1) The closing price of the Company's shares on 21 January 2020, being the date immediately before the date on which the share options were granted, was HK$0.86.

(2) The closing price of the Company's shares on 28 March 2019, being the date immediately before the date on which the share options were granted, was HK$0.80.

(3) Other participants comprise nine (9) consultants.

(4) The vesting period of the share options is from the date of grant until the commencement date of the exercise period.

No share options were granted, exercised, cancelled or lapsed under the 2012 Share Option Scheme during the year ended 31 December 2024.

REPORT OF THE DIRECTORS

(B) 2022 Share Option Scheme

On 13 June 2022, the Company adopted a new share option scheme (the "**2022 Share Option Scheme**"). A summary of the 2022 Share Option Scheme is set out below:

(A) Purpose

To enable the Group to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons.

(B) Participants

The eligible persons under the 2022 Share Option Scheme include any full time or part time employees of the Group or any directors of the Group. The Board shall (subject to the provisions of the 2022 Share Option Scheme) have absolute discretion as to whether or not to grant share options to any particular eligible persons. In exercising such discretion, the Board will assess the eligibility of the eligible persons based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future.

(C) Maximum number of shares available for issue

(i) Subject to (iv) below, the total number of shares which may be issued upon exercise of all the options to be granted under 2022 Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the shares in issue as at the date of approval of the 2022 Share Option Scheme, being 610,925,913 shares.

(ii) Subject to (iv) below, the Company may seek approval of the Shareholders in general meeting for refreshing the 10% limit set out in (i) above such that the total number of shares which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option schemes of the Company under the limit as refreshed shall not exceed 10% of the total number of the shares in issue as at the date of approval to refresh such limit.

(iii) Subject to (iv) below, the Company may seek separate approval from the Shareholders in general meeting for granting options beyond the 10% limit provided that the options granted in excess of such limit are granted only to eligible persons specifically identified by the Company before such approval is sought. In such case, the Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

(iv) The maximum number of shares which may be issued upon the exercise of all outstanding options granted but yet to be exercised under the 2022 Share Option Scheme and any other share option schemes of the Company must not exceed, in aggregate, 30% of the total number of shares in issue from time to time. No option may be granted under the 2022 Share Option Scheme or any other share option schemes of the Company if this will result in such limit being exceeded.

REPORT OF THE DIRECTORS

(v) As at the date of this Annual Report, the total number of shares available for issue under the 2022 Share Option Scheme was 610,925,913, representing 9.9% of the total issued shares of the Company on that date.

(D) Maximum entitlement to shares of each eligible person

(i) The total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

(ii) Notwithstanding (i) above, any further grant of options to an eligible person in excess of the 1% limit shall be subject to approval by the Shareholders in general meeting at which that proposed grantee and his/her close associates (as defined in the Listing Rules) (or his/her associates (as defined in the Listing Rules) if such proposed grantee is a connected person (as defined in the Listing Rules) of Company) have abstained from voting. The number and the terms of the options to be granted to such eligible person shall be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date for grant for the purpose of calculating the exercise price.

(iii) Where any grant of an option to a substantial Shareholder or an Independent Non-Executive Director, or any of their respective associates (as defined in the Listing Rules) and the grant will result in the total number of shares issued and to be issued upon full exercise of the options granted and to be granted (including exercised, cancelled and outstanding options but excluding lapsed options) to such person in any 12-month period up to and including the date of grant: (1) exceeding an aggregate of 0.1% of the shares in issue; and (2) having an aggregate value, based on the closing price of the shares at the date of grant, in excess of HK$5 million, such proposed grant of options must be approved by the Shareholders in general meeting at which that proposed grantee, his/her associates (as defined in the Listing Rules) and all core connected persons (as defined in the Listing Rules) have abstained from voting.

(E) Option period

The period during which an option may be exercised as determined by the Board in its absolute discretion at the time of grant, save that such period must not exceed 10 years from the date of grant of the relevant option.

(F) Vesting period

The minimum period, if any, for which an option must be held before it is vested, shall be determined by the Board in its absolute discretion. The 2022 Share Option Scheme itself does not specify any minimum holding period.

(G) Payment on acceptance of the option and period for acceptance

HK$1.00 (or such other nominal sum in any currency as the Board may determined) is payable by the grantee to the Company on acceptance of the option. An offer must be accepted within 25 days from the date of the offer.

REPORT OF THE DIRECTORS

(H) Basis of determining the subscription price

The exercise price shall be determined by the Board in its absolute discretion at the time of grant of the relevant option but shall not be less than the highest of: (i) the closing price of a share of the Company as stated in the Stock Exchange's daily quotations sheet on the date on which an option is granted; (ii) the average closing prices of a share of the Company as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share of the Company on the date on which an option is granted.

(I) Remaining life

The life span of the 2022 Share Option Scheme is 10 years commencing from 13 June 2022 and will expire on 13 June 2032.

At the beginning and the end of the year ended 31 December 2024, the maximum number of options available for grant under the 2022 Share Option Scheme were both 610,925,913, representing 10% and 9.9% of the total issued shares of the Company on that dates respectively. No service provider sublimit was set under the 2022 Share Option Scheme. No share options were granted under the 2022 Share Option Scheme during the year ended 31 December 2024.

During the year ended 31 December 2024, no share options were granted, exercised, cancelled or lapsed under the 2022 Share Option Scheme. Also, there were no outstanding share options granted under the 2022 Share Option Scheme at the beginning and at the end of the year ended 31 December 2024.

SHARE AWARD SCHEME

The share award scheme (the "**Share Award Scheme**") was adopted by the Shareholders at a special general meeting of the Company held on 19 December 2019. The objectives of the Share Award Scheme are: (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group's existing and other new potential business; and (ii) to attract suitable personnel with relevant experience in the Group's existing and other new potential business. The eligible participants under the Share Award Scheme are any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member as well as any customer or supplier of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group.

The maximum number of awarded shares that may be issued under the Share Award Scheme shall be 10% of the issued share capital of the Company at the adoption date of the Share Award Scheme, being 581,176,628 shares. Subject always to the said scheme limit, a limit equal to 3% of the Company's issued share capital as at the date on which the specific mandate is approved by the Shareholders as the maximum number of awarded shares which can be issued. The Company may, on an annual basis, seek Shareholders' approval to refresh such share award mandate. As at the date of this Annual Report, no shares are available for issue under the Share Award Scheme. The maximum aggregate number of shares which may be awarded to a selected grantee shall not exceed 1% of the issued share capital of the Company from time to time. The Board is entitled to impose any condition(s) as it deems appropriate in its absolute discretion with respect to the vesting of the awarded shares (including the vesting period). Selected grantees are not required to make any payment to accept an award and the subscription price will be paid by the Company. The basis of determining the purchase price of shares awarded is not applicable.

REPORT OF THE DIRECTORS

The Share Award Scheme will remain in force for a period of 10 years until 18 December 2029. As the Company has not sought Shareholders' approval to refresh the share award mandate since its expiry on 12 June 2023, there were no awarded shares that may be granted under the Share Award Scheme at the beginning and the end of the year ended 31 December 2024. No service provider sublimit was set under the Share Award Scheme. No awarded shares were granted under the Share Award Scheme during the year ended 31 December 2024.

Details of movements in the awarded shares of the Company granted under the Share Award Scheme during the year ended 31 December 2024 are as follows:

		Number of awarded shares					
Name/category of grantee	**Date of grant**	**Outstanding as at 1/1/2024**	**Granted during the year**	**Vested during the year** (Note 1)	**Lapsed during the year**	**Outstanding as at 31/12/2024**	**Vesting date**
Director							
Wong Wan Men	22/1/2020	10,000,000	–	(10,000,000)	–	–	22/1/2024
Other participants (In aggregate) (Note 2)	22/1/2020	85,000,000	–	(65,000,000)	(20,000,000)	–	22/1/2024
Total		**95,000,000**	**–**	**(75,000,000)**	**(20,000,000)**	**–**	

Notes:

(1) During the year ended 31 December 2024, 75,000,000 awarded shares were vested, and were allotted to the grantees free of payment. The weighted average closing price of the Company's shares immediately before the date on which the awarded shares were vested was HK$0.185.

(2) Other participants comprise nine (9) consultants.

(3) The vesting period of the awarded shares is 4 years.

Other than disclosed above, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme during the year ended 31 December 2024.

REPORT OF THE DIRECTORS

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

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") were as follows:

Name of director	**Nature of interests**	**Number of shares held** (Note 1)	**Number of underlying shares held** (Note 1)	**Total number of shares and underlying shares held**	**Approximate percentage of issued shares of the Company** (Note 2)
Wong Wan Men	Personal interests	10,000,000	20,000,000 (Note 3)	30,000,000	0.49%

Notes:

(1) The above interests in the shares and underlying shares of the Company were long positions. None of the Directors and chief executive of the Company had any short positions in the shares, underlying shares or debentures of the Company as at 31 December 2024.

(2) As at 31 December 2024, the Company's total number of issued shares was 6,183,233,139.

(3) The 20,000,000 shares represent Wong Wan Men's interests in share options granted by the Company. Wong Wan Men was the beneficial owner of such share options. Details of such share options are set out in the "Share Option Schemes" section above.

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

REPORT OF THE DIRECTORS

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Save as disclosed in this Annual Report, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors and chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and chief executive of the Company (including any of their spouses or children under the age of 18) were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' SERVICE CONTRACT

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2024, none of the Directors is interested in any businesses (apart from the Group's businesses) which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed, no transactions or arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and share award scheme of the Company as disclosed under the sections headed "Share Option Schemes" and "Share Award Scheme" in this directors' report and note 32 to the consolidated financial statements, the Company has not entered into any equity-linked agreement during the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISION

The Bye-laws of the Company provides that the Directors 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 may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed 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. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

CONNECTED TRANSACTIONS

During the year ended 31 December 2024, there were no transactions which need to be disclosed as connected transactions pursuant to Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 34 to the consolidated financial statements. Those related party transactions did not constitute connected transactions under the Listing Rules

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of any business of the Company were entered into during the year or subsisted at the end of the year.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 31 December 2024, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Number of shareholder	Capacity	Number of ordinary shares held (Note 1)	Total	Approximate percentage of issued shares of the Company (Note 2)
Seekers Creation Limited	Beneficial owner	1,215,296,600	1,215,296,600	19.65%
Lo Ki Yan, Karen ("**Ms. Lo**")	(i) Interest of controlled corporation	571,819,000 (Note 3)	572,137,000	9.25%
	(ii) Beneficial owner	318,000		
Planetree International Development Limited ("**PIDL**")	Interest of controlled corporation	318,820,000 (Note 3)	318,820,000	5.16%
Planetree International Limited ("**PIL**")	Interest of controlled corporation	318,820,000 (Note 3)	318,820,000	5.16%

Notes:

1) All the above interests in the shares of the Company were long position.

2) As at 31 December 2024, the Company's total number of issued shares was 6,183,233,139.

3) The 318,820,000 shares of the Company comprised (a) 145,825,000 shares held by a company which was 47.84% owned by PIL; and (b) 172,995,000 shares held by certain wholly owned subsidiaries of PIL. PIL was wholly owned by PIDL which was in turn 67% owned by Ms. Lo.

   The 571,819,000 shares of the Company comprised (a) 318,820,000 shares as described above; and (b) 252,999,000 shares held by certain companies of which Ms. Lo is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings.

Save as disclosed above, as at 31 December 2024, the Company has not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO.

REPORT OF THE DIRECTORS

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the five largest customers of the Group and the single largest customer of the Group accounted for about 39% and 9% of the Group's revenue from continuing operations (excluding revenue from securities trading and investments) respectively. As the Group had no significant purchases from continuing operations during the year, the Group did not have any major suppliers for the year ended 31 December 2024.

As far as the Directors are aware, none of the directors, their close associates, within the meaning of the Listing Rules, or those shareholders which to the knowledge of the Directors own more than 5% of the number of issued shares of the Company have an interest in any of the five largest customers of the Group for the year ended 31 December 2024.

DONATIONS

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

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the remuneration committee of the Company (the "**Remuneration Committee**") and is based on their merit, qualifications and competence. The emoluments of the Directors of the Company are reviewed by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Remuneration Committee will make recommendation to the Board on the emoluments of the Directors.

The Company has adopted a share option scheme and a share award scheme as an incentive to Directors and eligible employees, details of the schemes are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws although there is no restriction against such rights under the laws in Bermuda.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

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

During the year ended 31 December 2024, 1,026,000 ordinary shares of the Company were repurchased on the Stock Exchange with the aggregate consideration paid (before expenses) amounting to HK$141,288.

Particulars of the share repurchases are as follows:

Month	Number of shares repurchased	Price paid per share		Aggregate consideration (before expenses)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
June 2024	1,026,000	0.142	0.127	141,288

The repurchased shares were cancelled in July 2024.

REPORT OF THE DIRECTORS

Save as disclosed above, there was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2024.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

From 2 October 2024 to 26 February 2025, the Company, through its wholly owned subsidiaries, disposed of a total of 18,479,000 shares of ZhongAn Online P & C Insurance Co., Ltd. (stock code: 6060) through a series of transactions on the open market for an aggregate consideration of HK$254.6 million (exclusive of transaction costs). For further details, please refer to the announcement of the Company dated 28 February 2025.

CORPORATE GOVERNANCE

During the year ended 31 December 2024, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix C1 of the Listing Rules.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company's performance in various environmental and social aspects during the year ended 31 December 2024 is set out in the Environmental, Social and Governance Report on pages 45 to 78 of this Annual Report

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Company was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises four Independent Non-Executive Directors. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The annual results of the Group for the year ended 31 December 2024 had been audited by the Company's auditor, Forvis Mazars CPA Limited, and had been reviewed by the Audit Committee.

Details of the Company's Audit Committee are set out in Corporate Governance Report on page 37 of this Annual Report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2024 have been audited by Forvis Mazars CPA Limited. A resolution will be submitted to the forthcoming annual general meeting to re-appoint Forvis Mazars CPA Limited.

On behalf of the Board
Oshidori International Holdings Limited

Sam Hing Cheong
Executive Director and Chairman
Hong Kong, 27 March 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

Oshidori International Holdings Limited (the "**Company**") is dedicated to maintaining good and credible corporate governance practices with a view to being transparent, open and accountable to our shareholders, as well as to the stakeholders of the Company.

STATEMENT OF COMPLIANCE

During the year ended 31 December 2024 (the "**Year**"), the Company has complied with the code provisions of the Corporate Governance Code (the "**Code**") set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

BOARD OF DIRECTORS

Composition

As at the date of this Annual Report, the Board comprises 7 members, including three Executive Directors, namely Mr. Sam Hing Cheong (Chairman), Ms. Wong Wan Men and Mr. Wong Yat Fai and four Independent Non-Executive Directors representing at least one-third of the Board, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung. Of the four Independent Non-Executive Directors appointed, at least one or more has appropriate professional accounting experience and related financial management expertise. There is no financial, business, family or other material relationship between any members of the Board.

All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are disclosed in pages 14 to 16 of this Annual Report.

Each Independent Non-Executive Director has provided a written confirmation to the Company about his/her independence and the Company considers each of them to be independent.

Pursuant to the Bye-laws of the Company (the "**Bye-laws**"), the Directors (including the Independent Non-Executive Directors) is subject to retirement by rotation at least once every three years at the annual general meeting of the Company and are eligible for re-election. In addition, any Director appointed by the Board during a year shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

The term of office of Hon. Chan Hak Kan and Mr. Hung Cho Sing (Independent Non-Executive Directors) is for a period of one year and subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Lam John Cheung-wah and Mr. Yu Chung Leung (Independent Non-Executive Directors) were appointed for a term of not more than three years, and are subject to retirement by rotation under the Bye-laws.

In accordance with Bye-laws 84(1) and 84(2) of the Bye-laws, Hon. Chan Hak Kan, Mr. Hung Cho Sing and Mr. Lam John Cheung-wah will retire by rotation at the forthcoming annual general meeting. All the retiring directors, being eligible, will offer themselves for re-election thereat.

CORPORATE GOVERNANCE REPORT

Changes in information in respect of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Company's Interim Report 2024 and up to the date to this Annual Report are set out below:

a) Hon. Chan Hak Kan has been appointed as an independent non-executive director of China Resources Power Holdings Company Limited (stock code: 836) with effect from 19 March 2025. Also, he ceased to be the Chairman of the Panel on Security of the Hong Kong Legislative Council with effect from 31 December 2024;

b) Mr. Lam John Cheung-wah has resigned as an independent non-executive director of C&D Newin Paper & Pulp Corporation Limited (stock code: 731) with effect from 31 October 2024;

c) Mr. Yu Chung Leung has been appointed as an independent non-executive director of Esprit Holdings Limited (stock code: 330) with effect from 24 January 2025; and

d) The annual remuneration of Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung have been revised from HK$250,000 to HK$120,000 with effect from 1 February 2025.

Responsibilities of the Board and Management

The Board is responsible for providing high-level guidance and effective oversight of the management of the Company, and formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend, and supervision of management in accordance with the regulations governing the meetings of the Board and the Bye-laws.

Executive Directors are responsible for day-to-day management of the Company's operations. They conduct meetings with the management of the Group, at which operational issues and financial performance are evaluated.

The Company considers the essential of internal control system and risk management function and the Board plays an important role in the implementation and monitoring of internal control and risk management.

Matters specifically decided by the Board and those reserved for the management, such as daily management administration and operation of the Company, etc., are reviewed by the Board. The management shall report back to the Board. The procedure to enable Directors to seek independent professional advice in appropriate circumstances, at the Company's expenses, was established.

The Bye-laws contain provisions regarding responsibilities and operational procedures of the Board. The Board meets regularly to consider operational reports and policies and financial results of the Company. Significant operational policies have to be discussed and passed by the Board.

CORPORATE GOVERNANCE REPORT

During the Year, the Board held 7 Board meetings and 1 general meeting. Due notice and the Board papers were given to all Directors prior to each meeting in accordance with the Code and the Bye-laws. Details of individual attendance of Directors are set out below:

	Number of meetings attended during the Year	
	Board meeting	**General meeting**
Executive Directors		
Mr. Sam Hing Cheong *(Chairman)*	7/7	1/1
Ms. Wong Wan Men	7/7	1/1
Mr. Wong Yat Fai	7/7	1/1
Independent Non-Executive Directors		
Hon. Chan Hak Kan	7/7	1/1
Mr. Hung Cho Sing	7/7	1/1
Mr. Lam John Cheung-wah	7/7	1/1
Mr. Yu Chung Leung	7/7	1/1

Directors' Induction and Continuous Professional Development

On appointment to the Board, each newly appointed Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and management to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Company also gives briefings to the Directors on the latest development of applicable laws, rules and regulations to assist them in discharging their duties.

CORPORATE GOVERNANCE REPORT

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the Code on continuous professional development during the Year:

	Read materials	Attended presentation/ briefings/ in-house workshop
Executive Directors		
Mr. Sam Hing Cheong *(Chairman)*	✓	✓
Ms. Wong Wan Men	✓	✓
Mr. Wong Yat Fai	✓	✓
Independent Non-Executive Directors		
Hon. Chan Hak Kan	✓	✓
Mr. Hung Cho Sing	✓	✓
Mr. Lam John Cheung-wah	✓	✓
Mr. Yu Chung Leung	✓	✓

During the Year, the Company gave briefing to the Directors on the rules relating to disclosure of inside information and Listing Rules updates relating to treasury shares, and provided the Directors with materials relating to various topics (including regulatory update, new climate-related disclosure requirements in ESG report and proposed uncertificated securities market regime), which enhance greater awareness and understanding of the compliance with the regulatory development.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are performed by different individuals. Mr. Sam Hing Cheong is the Chairman. The role of the Chief Executive Officer has been performed collectively by all the other Executive Directors.

The Chairman provides leadership for the Board and oversee the Board so that it acts in the best interest of the Group and its Shareholders. The Chairman is responsible for deciding the agenda of each Board meeting, taking into account matters proposed by other Directors. The Chairman has overall responsibility for providing leadership, vision and direction regarding business development. During the Year, the Chairman has held a meeting with the Independent Non-Executive Directors without the presence of other Directors.

Executive Directors are responsible for the day-to-day business management and operations of the Group for formulating and successfully implementing policies and for maintaining an effective executive support team. They are accountable to the Board for keeping the Chairman and all Directors fully informed of all major business developments and issues.

CORPORATE GOVERNANCE REPORT

Responsibilities of Directors

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Group. Their responsibilities include:

- attending regular board meetings and focusing on business strategy, operational issues and financial performance;

- active participation on the respective boards of directors of the subsidiaries and associated companies of the Company;

- approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;

- monitoring the quality, timeliness, relevance and reliability of internal and external reporting;

- monitoring and managing potential conflicts of interest of senior management, Board and shareholders of the Company;

- consideration of misuse of corporate assets and abuse in related party transaction; and

- ensuring processes are in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to fulfill their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

Corporate Governance Functions

The Board is responsible for performing the following corporate governance duties as required under the Code:

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

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

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

- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

- to review the Company's compliance with the Code and disclosure in the corporate governance report

CORPORATE GOVERNANCE REPORT

During the Year, the Board considered the following corporate governance matters:

– review of the trainings for directors and senior management, and code of conduct, etc;

– review of the compliance with the Code and the disclosure in the Corporate Governance Report for the year ended 31 December 2023;

– review of the effectiveness of the internal control and risk management systems of the Company through the Audit Committee; and

– review of the implementation and effectiveness of (a) the Company's board diversity policy; (b) the Company's shareholders' communication policy; and (c) the Company's mechanisms to ensure independence views and input are available to the Board.

Independent Views and Input

During the Year, the Board reviewed and considered that the following mechanisms of the Company are effective in ensuring that independent views and input are provided to the Board:

Board and Board Committee' Structure

– the Board comprises a majority of Independent Non-Executive Directors. The Board comprises three Executive Directors and four Independent Non-Executive Directors;

– all the members of the Audit Committee are Independent Non-Executive Directors;

– majority of the members of the Nomination Committee and Remuneration Committee comprises Independent Non-Executive Directors;

– there is no financial, business, family or other material relationship between any members of the Board;

Appointment of Independent Non-Executive Directors

– appointment of new Directors (including Independent Non-Executive Directors) are first considered by the Nomination Committee. In considering the appointment of a Director (including Independent Non-Executive Director), the Nomination Committee applies criteria such as professional and educational background, relevant experience, and qualifications. The recommendations of the Nomination Committee are then put to the Board for consideration and approval;

Annual Review of Independence of Independent Non-Executive Directors

– independence of Independent Non-Executive Directors is assessed annually by the Nomination Committee;

Time Commitments of Independent Non-Executive Directors

– directors' attendance records are disclosed in this Annual Report;

Conflict of Interest

– director who has a conflict of interest in a matter to be considered by the Board which the Board determined to be material, that Director will abstain from voting in accordance with the Bye-laws; and

CORPORATE GOVERNANCE REPORT

Professional Advice

– to facilitate proper discharge of their duties, all Directors are entitled to seek advice from independent professional advisers at the Company's expense.

BOARD COMMITTEES

The Board currently has three board committees, namely Audit Committee, Nomination Committee and Remuneration Committee, with specific terms of reference relating to authority and duties, to strengthen the Board's functions and enhance its expertise.

Remuneration Committee

As at the date of this Annual Report, the Remuneration Committee comprises two Executive Directors, Mr. Sam Hing Cheong and Ms. Wong Wan Men, and four Independent Non-Executive Directors, Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The terms of reference of the Remuneration Committee are available on the website of the Company at www.oshidoriinternational.com.

The Remuneration Committee's responsibilities mainly include the reviewing, considering and making recommendation to the Board on (i) the Company's remuneration policy for Directors and senior management, (ii) remuneration packages for individual Executive Directors and senior management including benefits in kind, pension rights and compensation payments, and (iii) remuneration of Non-Executive Directors, as well as reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules, etc.

During the Year, the Remuneration Committee:

– reviewed the remuneration of Directors; and

– reviewed the remuneration policy of the Company.

The Remuneration Committee held one (1) meeting during the Year with individual attendance as follows:

Members of Remuneration Committee	**Number of meeting(s) attended**
Hon. Chan Hak Kan	1/1
Mr. Hung Cho Sing	1/1
Mr. Lam John Cheung-wah	1/1
Mr. Sam Hing Cheong	1/1
Ms. Wong Wan Men	1/1
Mr. Yu Chung Leung *(Chairman)*	1/1

Details of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in note 12 to the consolidated financial statements of the Group for the Year.

CORPORATE GOVERNANCE REPORT

Audit Committee

As at the date of this Annual Report, the Audit Committee comprises four Independent Non-Executive Directors, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The Audit Committee reports directly to the Board. The main responsibilities of the Audit Committee include oversight of the Group's financial reporting system, risk management and internal control systems, and review of the Group's financial information.

The Audit Committee meets regularly with the Company's external auditor twice a year to discuss audit process and accounting issues, and reviews effectiveness of internal control and risk evaluation. Written terms of reference, which describe the authority and duties of the Audit Committee are regularly reviewed and updated by the Board.

During the Year, the Audit Committee:

- reviewed the consolidated financial statements of the Group for the year ended 31 December 2023 and for the six months ended 30 June 2024;
- reviewed the effectiveness of the internal control and risk management systems;
- reviewed the external auditor's audit findings; and
- reviewed and approved remuneration of auditor for 2024 and recommended the re-appointment of auditor.

As at 31 December 2024, the arrangement for employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters was in place. No reporting has been received by the Audit Committee during the Year.

Also, as at 31 December 2024, policies and systems that promote and support anti-corruption laws and regulations were in place.

The Audit Committee held two (2) meetings during the Year. Details of individual attendance of its members are as follows:

Members of Audit Committee	**Number of meeting(s) attended**
Hon. Chan Hak Kan	2/2
Mr. Hung Cho Sing	2/2
Mr. Lam John Cheung-wah	2/2
Mr. Yu Chung Leung *(Chairman)*	2/2

CORPORATE GOVERNANCE REPORT

Nomination Committee

As at the date of this Annual Report, the Nomination Committee comprises two Executive Directors, Mr. Sam Hing Cheong and Ms. Wong Wan Men, and four Independent Non-Executive Directors, namely Hon. Chan Hak Kan, Mr. Hung Cho Sing, Mr. Lam John Cheung-wah and Mr. Yu Chung Leung and is chaired by Mr. Yu Chung Leung.

The terms of reference of the Nomination Committee are available on the website of the Company at www.oshidoriinternational.com.

The Nomination Committee's responsibilities mainly include the reviewing and recommending the structure, size and composition of the Board and recommending any change thereon; assessing the independence of Independent Non-Executive Directors and recommending the re-election of Directors, etc.

During the Year, the Nomination Committee:

– reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;

– assessed the independence of Independent Non-Executive Directors; and

– reviewed and made recommendations to the Board on re-election of retiring Directors at the 2024 Annual General Meeting.

The Nomination Committee held one (1) meeting during the Year with individual attendance as follows:

Members of Nomination Committee	**Number of meeting(s) attended**
Hon. Chan Hak Kan	1/1
Mr. Hung Cho Sing	1/1
Mr. Lam John Cheung-wah	1/1
Mr. Sam Hing Cheong	1/1
Ms. Wong Wan Men	1/1
Mr. Yu Chung Leung *(Chairman)*	1/1

Appointments of new Directors are first considered by the Nomination Committee. The Nomination Committee assessed the candidates on criteria such as integrity, independent mindedness, experience, skill and ability to commit time and effort to carry out their duties and responsibilities effectively as well as the independent factors set out in the Listing Rules, etc., and made recommendation to the Board for approval. Thereafter, all Directors appointed to fill casual vacancy are subject to election by shareholders at the next annual general meeting after their appointment.

CORPORATE GOVERNANCE REPORT

DIVERSITY OF THE BOARD AND WORKFORCE

The Company formulated the board diversity policy in August 2013 aiming at setting out the approach on diversity of the Board of the Company.

The Board recognizes the importance of having a diverse Board in enhancing the board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities, etc of Directors and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Nomination Committee has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and reviewing effectiveness of the Board.

The Nomination Committee is also responsible for reviewing the board diversity policy and setting any measureable objectives from time to time, and reporting to the Board in relation to recommendations to improve Board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on merit and contribution the chosen candidate will bring to the Board.

The Board considers that Board diversity, including gender diversity, to be achieved. The Board currently consists of individuals from a diverse background and have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. As at 31 December 2024, 57% of the total workforce were male employees and 43% were female employees. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce.

During the Year, the Board reviewed the works of the Nomination Committee and was satisfied with the implementation and effectiveness of the Company’s board diversity policy.

CORPORATE GOVERNANCE REPORT

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the Year, all Directors have complied with the required standard set out in the Model Code.

The Company has also established written guidelines regarding securities transaction on no less exacting than the terms of the Model Code for senior management and specific individual who may have access to inside information in relation to the securities of the Company.

EXTERNAL AUDITOR

Forvis Mazars CPA Limited ("**Forvis Mazars**") provided professional services in respect of the audit of the Company's consolidated financial statements prepared under Hong Kong Financial Reporting Standards for the Year.

Fee charged by Forvis Mazars in respect of audit service for the Year amounted to HK$1,980,000. Non-audit services fees charged by Forvis Mazars and its associate firms for the year were as follows:

Description of service performed	**Fee** *HK$'000*
Report on agreement with the annual results announcement of the Company for the Year	10
Attending the annual general meeting of the Company	10
Professional services in connection with the environmental, social and governance review	105
Professional services in connection with the interim review	318
Professional services in connection with the enterprise risk assessment	100
Professional services in connection with the interim control review	148
Professional services in connection with handling tax enquiry	165

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed to establish good corporate governance that ensures legal and regulatory compliance of the Company. The Board acknowledges that it has the overall responsibility for establishing and maintaining sound and effective risk management and internal control systems, as well as reviewing their effectiveness, and evaluating and determining the nature and extent of the risks that the Company shall take in achieving its strategic objectives.

The risk management and internal control functions of the Company include the following elements:

- identify significant risks that may potentially impact the Company's performance;
- introduce appropriate controls to manage identified risks; and
- monitor and review the effectiveness of such measures.

The risk management and internal control systems of the Company is largely top-down, involving the Board, the Audit Committee, and key business units. These parties all play important roles in the system. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and aim to provide a reasonable, as opposed to an absolute, assurance against material misstatement or loss.

Risk assessment is performed annually to identify and evaluate significant risks of the Group and the results of which are reported to the Board for considering any risk mitigation actions and controls through the Audit Committee. Appropriate risk mitigation actions are being taken to manage and control individual risks identified.

The internal control system also includes control procedures implemented to ensure authorised access and the confidentiality of inside information. The Company has developed a disclosure policy which provides a guidance to the Directors, management and relevant employees of the Company in handling confidential information, monitoring information disclosure and responding to enquiries.

For the Year, the Company has engaged an external independent professional consultant to carry out the internal audit function. The consultant has conducted an annual review of and made recommendations to improve the effectiveness of the Group's risk management and internal control systems.

Key issues in relation to financial, information technology, operational and compliance controls have been examined during the Year and discussed with the management, on which findings and recommendations for improvement have been provided to the Audit Committee. The Company will be carrying out these recommendations as appropriate, and ongoing review of the same will be conducted in subsequent years.

During the Year, the Board has reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions, as well as those relating to the Group's ESG performance and reporting, and was satisfied with the results of the review.

Also, during the Year, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems, and was of the view that the risk management and internal control systems of the Group were effective and adequate. Such review covers all material controls, including financial, operational and compliance controls.

CORPORATE GOVERNANCE REPORT

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue its operational existence for a foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the financial statements.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for requisitioning a special general meeting

Shareholder(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the company secretary of the Company signed and deposited in accordance with the Bye-laws and Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

(b) Procedures for putting forward proposals at general meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 shareholders may, at their expense, provide a written request to the attention of the company secretary of the Company signed and deposited in accordance with the Bermuda Companies Act 1981.

(c) Communication with shareholders and investors

To ensure effective communication with shareholders and investors, the Company have formulated a shareholders' communication policy which is regularly reviewed to ensure its effectiveness.

Shareholders are provided with detailed information about the Company in the announcement, annual/interim report and/or circular so that they can exercise their rights in an informed manner.

The Company uses a range of communication tools, such as the annual general meeting, the annual report, various notices, announcements and circulars, to ensure the Shareholders are kept well informed of key business imperatives. Procedures for conducting a poll are explained by the chairman of the meeting at the general meetings of the Company held during the Year.

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. Shareholders are welcome to put forward enquiries to the Board or the management thereat and the Chairman of the Board, or in his absence, an Executive Director of the Company, as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the Independent Board Committee, will commonly be present and available to answer questions and Shareholders may also contact the company secretary of the Company to direct their written enquiries.

The Company is committed to enhancing communications and relationships with its investors. Designated management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

CORPORATE GOVERNANCE REPORT

At the 2024 Annual General Meeting, a resolution was proposed by the chairman of the meeting in respect of each separate issue itemised in the notice, including re-election of retiring Directors. The Chairman of the Board and certain members of all committees or their duly appointed delegates and representatives of Forvis Mazars attended the 2024 Annual General Meeting and answered questions from the Shareholders.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

Address: 25th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong
Fax: (852) 2704 2181
Email: info@oshidoriinternational.com

In addition, procedure for Shareholders to propose a person for election as a Director of the Company is available on the Company's website at www.oshidoriinternational.com. The above procedures are subject to the Bye-laws and applicable laws and regulations.

During the Year, the Board reviewed the corporate communication issued by the Company and was satisfied with the implementation and effectiveness of the Company's shareholders' communication policy.

CONSTITUTIONAL DOCUMENTS

A special resolution was passed at the 2024 Annual General Meeting held on 13 June 2024 to adopt the second amended and restated Bye-laws. Details can be found in the circular of the Company dated 29 April 2024. An up-to-date consolidated version of the memorandum of association and Bye-laws was published on the websites of the Stock Exchange and the Company.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company intends to strike a balance between maintaining sufficient capital to develop and operate the business of the Group and rewarding the Shareholders. A dividend policy of the Company (the "**Dividend Policy**") had been adopted in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- the Company's operating results;
- the liquidity position, the level of liquid ratio, return on equity and the relevant financial covenants;
- the expected financial performance;
- the cash flow forecast based on expected working capital requirements, expected capital expenditure requirements and any future expansion plans;
- any restrictions on payment of dividend with reference to any applicable laws, rules and regulations and the Bye-laws; and
- any other factors that the Board may deem appropriate and relevant

Any declaration and payment of dividend under the Dividend Policy are subject to Board's determination that the same would be in best interest of the Company and the Shareholders as a whole.

The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particulars amount and/or in no way obligate the Company to declare a dividend at any time or from time to time. The Board will review the Dividend Policy from time to time and may exercise at its sole discretion to amend and/or modify the Dividend Policy at any time as appropriate

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES IN PREPARING AND REPORTING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group and of the loss and cash flows of the Group for the Year. The statement of the auditor regarding reporting responsibility for the financial statements is set out in the Independent Auditor's Report on pages 79 to 84.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Overview

This Environmental, Social and Governance ("**ESG**") Report (the "**Report**") of Oshidori International Holdings Limited and its subsidiaries ("**the Group**") for the year ended 31 December 2024 (the "**Reporting Year**") covers environmental and social subject areas in accordance with the requirements of Environmental, Social and Governance Reporting Code stated in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Corporate governance is addressed separately in the Corporate Governance Report on pages 30 to 44 of this Annual Report

Scope of the Report

The Report endeavours to present a balanced representation of the Group's environmental and social performance and covers the main operations of the Group. The content of the Report is defined through a process to determine ESG management approach, strategy, priorities and objectives relating to the Group's operations, to describe our management, measurement and monitoring system employed to implement ESG strategy, and to disclose our key policies, compliance with relevant laws and regulations, our performance, and key performance indicators ("**KPIs**").

Reporting Standard

This report has been prepared in accordance with the Environmental, Social and Governance Reporting Code in Appendix C2 to the Rules Governing the Listing Rules, including materiality, quantification, and consistency. The two ESG subject areas, namely environmental and social, are disclosed separately, highlighting the impacts of the operations of the Group in Hong Kong from 1 January 2024 to 31 December 2024.

Materiality

The materiality and relevance of the ESG related issues are carefully evaluated by the Group and the opinions of its stakeholders, such that the identified material ESG issues are validated and reported according to the stakeholder's concern.

Quantitative

The KPIs disclosed in this Report are supported by quantitative data and measurable standards. All applicable statistics, calculation tools, methodologies, reference materials and sources of conversion factor used are disclosed when presenting the emission data.

Consistency

To facilitate the comparison of ESG performance between years, consistent reporting and calculation methods are adopted as far as reasonable, any significant changes in methodologies are also detailed in relevant sections. The intensities in the Report were calculated based on the number of employees of the Group.

Approved by the Board of Directors

The board of directors of the Company (the "**Board**") has overall responsibility for the Group's ESG strategy and reporting. The Board is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Report was approved by the Board on 27 March 2025.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP

About the Group

The Group principally engages in investment holdings, tactical and/or strategical investments, (including property investments), provisions of financial services including the Securities and Futures Commission regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing), Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance. Particulars of the Group's principal entities are set out in note 40 to the consolidated financial statements for the year ended 31 December 2024.

Strategies

Environmental and social responsibilities are viewed as the Group's core commitment to environment, internal workplace, and external community, and an integral part of the Group's practice to create value for stakeholders. Our strategy is to fulfil the Group's environmental and social responsibilities through achieving environmental and social objectives during daily operations.

Objectives

The Group integrates environmental and social considerations into the Group's business objectives to achieve:

Environmental objectives:

- Add environmentally friendly elements to our daily service and operation activities;
- Reduce greenhouse gas emissions;
- Use energy and resources efficiently; and
- Continuously improve waste management.

Social objectives:

- Respect employees' rights and promote an equal opportunity workplace;
- Commit to occupational safety and health, and provide a safe and healthy workplace;
- Commit to ethical business practices, and build integrity within the workplace; and
- Promote community participation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Approach

Monitored by the Board, the Group is executing its environmental and social strategy and achieving its related objectives through a series of actions and commitments:

- Embed environmental and social objectives into business processes including decision making process;
- Establish and document environmental and social policies for management and staff members to follow;
- Comply with environmental and social laws and regulations;
- Report our performance on a balanced picture;
- Disclose KPIs as measurement of actual results;
- Ensure appropriate and effective ESG risk management and internal control systems are in place; and
- Practise corporate citizenship in things we do.

Environmental and social management system comprises:

- The direction from the Board to fulfil the ESG responsibilities;
- Daily execution of environmental and social strategy and achieving its objectives by senior management;
- Performance and achievements done by employees in accordance with the Group's environmental and social policies;
- Compliance with environmental and social laws and regulations;
- Review and monitoring of ESG risks management and internal control systems by the Board; and
- Reporting and disclosure of our performance and KPIs.

Measures for the achievement of environmental and social objectives are:

- Environmental policies;
- Social policies;
- Checklists for the compliance with applicable environmental and social laws and regulations;
- Requiring documentation for the performance and accomplishment of environmental and social related activities or matters; and
- Data collection, calculation, and disclosure of KPIs.

The implementation of environmental and social strategies, management of environmental activities, and measurement of achieving environmental and social objectives are monitored by dedicated managerial staff members and finally by the Board for its overall ESG responsibility.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Engagement

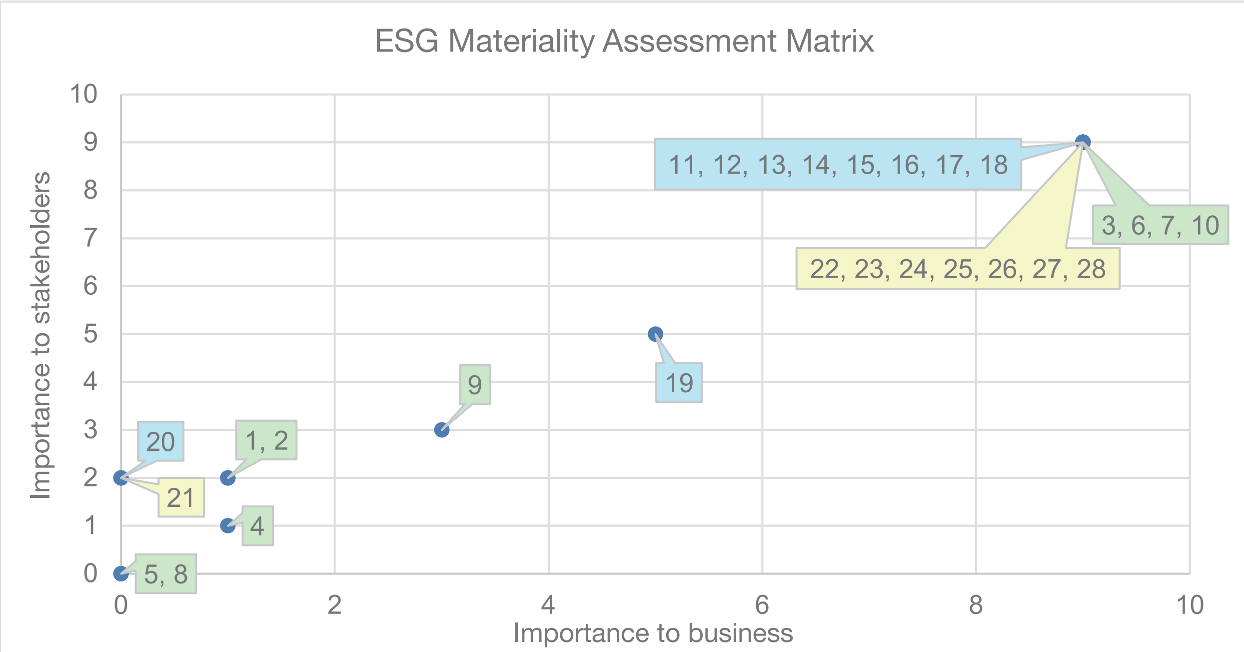
Stakeholder engagement is a key success factor in formulating our environmental and social strategy, defining our objectives, assessing materiality, and establishing policies. Our key stakeholders include customers, suppliers or service providers, employees, management, and shareholders. The Group has communicated with stakeholders to understand their views and respond to their needs and expectations, evaluated and prioritised their inputs to improve our performance, and finally strived to provide value to our stakeholders, community and the public as a whole.

Stakeholders	Probable issues of concern	Communication and responses
HKEx	Compliance with Listing Rules, timely and accurate announcements.	Meetings, training, roadshows, workshops, programs, website updates and announcements.
Government	Compliance with laws and regulations, prevention of tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Suppliers/Service providers	Payment schedule, stable demand.	Meetings.
Shareholders/ Investors	Corporate governance system, business strategies and performance, and investment returns.	Organizing and participating in seminars, interviews, shareholders' meetings, issue of financial reports and/or operation reports for investors, media and analysts.
Media & Public	Corporate governance, environmental protection, and human right.	Issue of newsletters on the Company's website.
Customers	Service quality, reasonable prices, service value, labour protection and work safety.	Site visits, and customer services.
Employees	Rights and benefits, employee compensation, training and development, work hours, and working environment.	Union activities, trainings, interviews for employees, employee handbooks, internal memos, employee suggestion boxes.
Community	Community environment, employment and community development, and social welfare	Community activities, employee voluntary activities, community welfare subsidies and charitable donations

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Materiality

During the Reporting Year, the Group has undertaken its materiality assessment exercise. This involved conducting surveys with internal and external stakeholders including the management and employees to identify the most significant operating, environmental and social impacts towards the Group's business. With reference to the reporting scope and the consideration towards the corporate business characteristics, the Group has identified related material topics and is detailed in the following diagram:



No. ESG Topics	No. ESG Topics	No. ESG Topics
Environmental Issues	Social Issues	Operational Issues
1 Greenhouse gas emission/ global warming	11 Anti-COVID 19 epidemic/ public health crisis	21 Supply chain management
2 Exhaust air emission	12 Employee rights and welfare	22 Customers' satisfaction
3 Energy consumption	13 Inclusion, equal opportunities and anti-discrimination	23 Customers' privacy
4 Water consumption	14 Talent attraction and retention	24 Product/services quality
5 Hazardous waste/sewage	15 Occupational health and safety	25 Economic performance
6 Non-hazardous waste/ sewage	16 Training and development	26 Operational compliance
7 Paper consumption	17 Preventive measures for child and forced labour	27 Corporate governance
8 Forest damage caused by improper logging	18 Environmental Protection	28 Anti-corruption
9 Use of raw materials and packaging	19 Community investment and engagement	
10 Compliance with environmental laws and regulations	20 Labour standards in supply chain	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on the stakeholder engagement, the Group has identified key ESG topics encompassing environmental, social and operational aspects. Notably, there has been a heightened focus on operational issues and social issues that closely linked to the Group's business, particularly regarding employment practices and the services delivered to customers. The results of the materiality assessment prioritised stakeholders input, guiding our focus on the most critical areas for action, achievement, and reporting. Below, the Group presents the relevant disclosure required to reflect our commitment to these material aspects.

Moving forward, the Group is committed to sustaining open communication with a diverse range of stakeholders and actively gathering their insights through various channels to facilitate comprehensive analysis. In parallel, we will refine our reporting principles concerning materiality, quantification, and consistency to ensure they are closely aligned with stakeholder expectations and regulatory reporting requirements. This approach will enhance the content and presentation of our ESG Report, ensuring that the information is both relevant and accessible when necessary. By fostering this dialogue and continuously improving our reporting practices, we aim to reinforce transparency and accountability in our sustainability efforts.

Board Statement

The Group understands the importance of efficient ESG governance to corporate sustainability. Therefore, the Group has developed an ESG management framework to ensure the effective implementation of relevant ESG policies in its operations. The Board is primarily responsible for supervising ESG governance matters of the Group. For instance, determining the Group's ESG approach, managing ESG related risks, as well as supervising the management and relevant departments in stipulating relevant policies with appropriate measures. The Board also requires the management of the Group to report ESG-related matters and provide follow-up developments in a timely manner, such as when ESG performance indicators deviate significantly from pre-set targets, serious ESG incidents, and changes in regulatory requirements.

The Board is responsible for:

- appointing key personnel in charge of the Group's ESG matters;
- approving ESG strategies, action plans and targets;
- approving the resources required to implement ESG-related measures;
- reviewing and monitoring of ESG risks management and internal control systems;
- monitoring the progress and performance of ESG strategies; and
- reviewing and approving the annual ESG reports.

The Management is responsible for:

- identifying and assessing ESG-related risks and opportunities and report to the Board;
- developing ESG strategies, action plans, targets and arranging works accordingly;
- ensuring appropriate and effective ESG risk management and internal control systems are in place;
- reporting to the Board on the progress and performance of ESG work; and
- reviewing and submitting annual ESG report to the Board for approval.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Functional Departments are responsible for:

- coordinate and implement specific ESG policies and measures;
- report to the management on ESG work regularly;
- collecting information and data in relation to ESG performance of the Group; and
- preparing annual ESG reports and reporting to the management.

The Board will continue to observe the ESG-related work and keep up on the latest ESG disclosure requirements of the Stock Exchange. The Board will also ensure close collaboration between all departments to achieve the goal of operational compliance, shoulder on social responsibility and develop clearer ESG objectives and targets for the Group in the future in order to strive for better performances and better align with stakeholders' expectations.

GENERAL DISCLOSURE AND KPIs

A. Environmental

The Group recognises the importance of setting up a practice to protect the natural environment for the benefit of humans and pursue sustainable development. The Group is committed to put effort in reducing the environmental impacts from our operation and setting back the degradation of the biophysical environment.

Aspect A1: Emissions

Emissions refer to the amount of substances that is produced and sent out to the air that is harmful to the environment. It includes air and greenhouse gas emissions produced from gaseous fuel consumption, fuel consumption by vehicles, energy consumption and all other upstream and downstream activities. Emissions disclosed as KPIs are calculated based on the consumption data collected and applicable emission factors.

Air and Greenhouse Gas Emissions

Air emissions include nitrogen oxide ("**NOx'), sulfur oxide ("SOx**"), particulate matter ("**PM**") and other pollutants regulated under national laws and regulations. On the other hand, greenhouse gases include carbon dioxide ("**CO_2**"), methane ("**CH_4**"), nitrous oxide ("**N_2O**"), hydrofluorocarbons ("**HFCs**"), perfluorocarbons ("**PFCs**") and sulphur hexafluoride ("**SF_6**").

– ***Air and Greenhouse Gas Emissions from Production***

In view of the Group's business nature, there were no air and greenhouse gas emissions from production.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

– ***Air Emissions from Vehicles and Yachts***

The Group believes that green transportation brings different benefits, which include the reduction of transportation costs, as well as the reduction of energy consumption and pollution. As such, the Group encourages optimising transportation routes, high filling rate or carpooling and proper tire pressure to achieve higher efficiency of vehicles.

The Group also reminds employees to consider the environmental impact accustomed to their commuting decisions to reduce air and greenhouse emissions. Employees are encouraged to take public transportation as often as possible and avoid excessive idling of automobile.

KPI A1.1 Emissions from vehicles

During the Reporting Year, the total air emissions of the Group from vehicles usage was approximately 695 g[1] (2023: 2,155 g), with a decrease of approximately 68% due to decreased use of motor vehicles during the year. The corresponding air emission intensity was approximately 30g per employee.

Types of pollutant	**2023** (g)	**2024** (g)	**Variance**
NOx	1,941	626	↓ 68%
SOx	74	23	↓ 69%
Particulate Matter (“PM”)	141	46	↓ 67%
Total Air Emissions	2,155	695	↓ 68%

– ***Greenhouse Gas Emissions by Scope category***

*KPI A1.2 Greenhouse gas (“**GHG**”) emissions in total*

During the Reporting Year, the total GHG emissions of the Group accounted to approximately 44 tonnes (2023: 63 tonnes), with a GHG emissions intensity of 1.9 tonnes (2023: 2.7 tonnes) per employee. There is a decrease of greenhouse gas emissions was mainly due to decreased use of motor vehicles during the year. The respective emission data of Scope 1, Scope 2 and Scope 3 are disclosed as follows.

1 The travelling distance is estimated based on the units of fuel consumed by vehicles using the “Transport – Energy Utilization Index” issued by Electrical and Mechanical Services Department at https://ecib.emsd.gov.hk/index.php/hk/energy-utilisation-index-hk/transport-sector-hk.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

– ***Scope 1 Direct Greenhouse Gas Emissions from Stationary and Mobile Combustion***

The total Scope 1 GHG emissions of the Group was approximately 3.81 tonnes (2023: 13.84 tonnes), representing a decrease of approximately 72% due to reduced private car usage during the Reporting Year.

KPI A1.2 Scope 1 – Direct emissions from operations that are owned or controlled by the Group

Main categories of Scope 1 emissions: GHG emissions from stationary and mobile combustion sources:

Types of greenhouse gas	**2023** (tonnes)	**2024** (tonnes)	**Variance**
Carbon Dioxide (“CO_2”)	12.33	3.75	↓ 70%
Methane (“CH_4”)	0.04	0.01	↓ 75%
Nitrous Oxide (“N_2O”)	1.47	0.05	↓ 97%
Total Scope 1 GHG emissions	13.84	3.81	↓ 72%

– ***Scope 2 Indirect Greenhouse Gas Emissions from Electricity Consumption***

Electricity consumption constitutes a significant portion of the Group’s greenhouse gas emissions, accounting for 73% of the total. During the Reporting Year, the total Scope 2 GHG emissions of the Group was approximately 38.45 tonnes (2023: 46.16 tonnes), which decreased 17% compared to last year.

KPI A1.2 Scope 2 – Energy indirect emissions resulting from the generation of purchase or acquired electricity, heating, and cooling consumed within the Group

Main sources of Scope 2 emissions: Electricity purchased from power companies:

Types of emissions	**2023** (tonnes)	**2024** (tonnes)	**Variance**
CO_2 equivalent emission	46.16	38.45	↓ 17%
Total Scope 2 GHG emissions	46.16	38.45	↓ 17%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

– ***Scope 3 Indirect Greenhouse Gas Emissions from Paper Waste Disposed at Landfills and Business Travel by Employees***

During the Reporting Year, the total Scope 3 GHG emissions of the Group was approximately 1.82 tonnes (2023: 2.64 tonnes), with a decrease of approximately 31% due to the decreased paper usage by the Group.

KPI A1.2 Scope 3 – All other indirect emissions that occur outside the Group, including both upstream and downstream emissions

Activities from which indirect GHG emissions arise:

Types of emissions	2023 (tonnes)	2024 (tonnes)	Variance
CO_2 equivalent emission of Paper Waste disposed at Landfills	2.64	1.82	↓ 31%
CO_2 equivalent emission of Business Air Travel by Employees	–	–	–
Total Scope 3 GHG emissions	2.64	1.82	↓ 31%

To address the indirect emissions associated with paper waste disposed in landfills, the Group encourages employees to maximize the use of digital technology, such as emails and digital data storage, to minimize paper consumption. In addition to printing on both sides of a sheet and avoiding unnecessary printing or photocopying, paper usage is optimized by adjusting the formatting of documents of space efficiency. Recycling boxes are also placed near the photocopiers to collect single-sided paper for reuse and used double-sided paper for recycling.

To further reduce paper usage, the Group has integrated the principles of the “3Rs” (Reduce, Reuse and Recycle) into the business activities. The Group aimed to establish a paperless office by utilizing electronic administrative platforms and communication channels for interactions with both our staff and customers whenever possible.

Additionally, the Group consistently reminds employees to consider the environmental impact of their commuting choices in order to to reduce air and greenhouse gas emissions. Employees are encouraged to use public transportation whenever feasible. Recognizing the significant indirect greenhouse gas emissions resulting from employee business travel, the Group mandates the use of teleconferencing and Zoom meetings instead of overseas travel to minimize the carbon footprint associated with business activities.

Discharges into Water and Land

The Group requires that discharges, if any, into waterways and land must comply with relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Generation of Hazardous Waste and Non-Hazardous Waste

The internal guidance of the Group encourages employees to handle office waste generated in a proper and environmentally friendly manner.

– ***Hazardous Waste***

Hazardous wastes are those defined by national regulations. There was no significant hazardous waste generated in view of the Group's business nature.

KPI A1.3 Total hazardous waste produced and intensity

There was no significant hazardous waste generated in view of the Group's business nature.

– ***Non-Hazardous Waste***

The Group actively promotes comprehensive waste reduction practices that encompass waste minimization at the source, reuse, clean recycling, recovery, and a reduction in landfill disposal. Employees are encouraged to select supplies and equipment with longer life spans to minimize waste generation. To facilitate recycling efforts, dedicated bins have been installed throughout the premises to collect various recyclables, including waste paper, glass and aluminum bottles, metals, and plastics. The Group has also established partnerships with recycling organizations to ensure the efficient collection and processing of these materials.

During the Reporting Year, the Group generated approximately 0.38 tonnes of non-hazardous waste (2023: 0.55 tonnes), representing a notable reduction of around 31%. This decrease can be largely attributed to the Group's concerted efforts to minimize paper usage through the adoption of digital solutions and sustainable practices. The non-hazardous waste intensity remained stable at 0.02 tonnes per employee (2023: 0.02 tonnes), underscoring the Group's commitment to efficient resource management and its ongoing initiatives to enhance environmental sustainability.

KPI A1.4 Total non-hazardous waste produced and the intensity

Types of emissions	**2023** (tonnes)	**2024** (tonnes)	**Variance**
Non-hazardous waste produced – Landfill	0.55	0.38	↓ 31%
Non-hazardous waste intensity (Tonnes/per employee)	0.02	0.02	–

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI A1.5 Description of emission target(s) set and results achieved

In alignment with the policies outlined for reducing air and greenhouse gas emissions from vehicles, the Group has implemented several additional measures to further mitigate these emissions. The Group has established limits on the number of owned vehicles and the limit frequency of local business commuting that does not utilize public transportation. Additionally, it seeks to minimize the volume of employee business travel to enhance control over the Group's overall emission performance.

Recognizing that emissions are closely tied to the Group's operational activities, fluctuations may occur in response to changes in business growth and performance. Nevertheless, the Group is committed to consistently enforcing the aforementioned environmental policies and measures. It strives to maintain emissions at or below the levels recorded in the Reporting Year, aiming for a growth rate that remains lower than that of its business growth wherever possible. This proactive approach reflects the Group's dedication to improving its environmental performance and achieving sustainability goals in the future.

KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction target(s) set and results achieved

Non-hazardous wastes are prioritized for recycling; if recycling is not feasible, they are sent to landfills. In line with the aforementioned policies aimed at reducing non-hazardous waste, the Group has implemented several measures to further diminish waste generation. The Group actively works to limit the creation of commercial waste by employees by managing paper waste and reducing the volume of non-hazardous waste that is disposed of directly in landfills without recycling.

During the Reporting Year, the production of non-hazardous waste saw a notable decline. This positive outcome can be attributed to the effective strategies the Group has put in place to minimize excessive paper waste. Consequently, the Group is confident that these measures have been effective in responsibly managing the non-hazardous waste generated throughout the year.

It is important to note that waste production is closely tied to the Group's operational activities, and fluctuations may arise in response to the evolving needs of the Group's business development. Nevertheless, the Group is committed to continuing the implementation of its various policies and measures for the efficient use of resources. The goal is to strive for improved environmental performance, including limiting waste production and maintaining waste generation levels similar to those recorded in the Reporting Year, as much as possible in the future

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Compliance with Relevant Laws and Regulations that have a Significant Impact on the Group

For the year ended 31 December 2024, there were no confirmed non-compliance incidents or grievances in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Aspect A2: Use of Resources

The Group acknowledges that the efficient use of resources – encompassing energy, water, and various raw materials across production, storage, transportation, buildings, and electronic equipment – is a critical component of environmental stewardship. By optimizing resource utilization, the Group not only conserves finite resources but also contributes to the broader goal of environmental protection. This commitment reflects a proactive approach to sustainability, ensuring that operational practices align with the principles of responsible resource management and conservation.

Efficient Use of Energy

The Group has implemented comprehensive policies and procedures to ensure the efficient use of energy across all operations. Key initiatives include reducing energy consumption within facilities, assessing energy efficiency regularly, increasing the utilization of clean energy sources whenever feasible, and setting measurable targets to monitor energy usage. Additionally, the Group emphasizes the importance of turning off electrical appliances when not in use.

Electricity serves as the primary resource consumed by the Group in its daily operations. To mitigate electricity consumption, the Group has established a robust energy monitoring policy, which encourages the procurement of energy-efficient equipment, such as appliances with Grade 1 Energy Labels. Colleagues are also urged to adopt green office practices. Various electricity-saving measures have been instituted, including setting air conditioning units to no lower than 25° C, ensuring that windows and doors remain closed when air conditioning is in use, and requiring that air conditioning be turned off after office hours or when meeting rooms are no longer in use. Furthermore, the Group has installed energy-efficient lighting systems to further decrease electricity consumption.

During the Reporting Year, the total energy consumption of the Group was primarily derived from non-renewable fuel use and purchased electricity. The overall energy usage amounted to approximately 74,000 kWh (2023: 115,000 kWh), with an intensity of 3 kWh (2023: 5 kWh) per employee. Notably, the consumption of non-renewable fuel decreased by 70%, from 50,000 kWh to 15,000 kWh, reflecting reduced vehicle usage and diminished stationary combustion from Group-owned entities during the year. Conversely, the electricity purchased for consumption remained consistent with the previous year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity

Energy consumption by type	2023 (kWh in ’000s)	2024 (kWh in ’000s)	Variance
Non-renewable fuel consumed	50	15	↓ 70%
Electricity purchased for consumption	65	58	↓ 11%
Total energy consumed	115	74	↓ 36%
Total energy consumption intensity (kWh in ’000s/per employee)	5	3	↓ 40%

Water Consumption

In parallel with its efforts to manage energy consumption, the Group is committed to minimizing unnecessary water usage to safeguard our finite freshwater resources. To this end, the Group actively encourages employees to adopt water-saving practices within the office environment. Employees are instructed to fully empty containers before washing, promptly turn off taps when not in use, and conduct regular inspections of faucets and pipes to identify and address any leaks. Additionally, the Group promotes the use of water-efficient appliances and fixtures to further enhance water conservation efforts. By fostering a culture of responsibility and awareness around water usage, the Group is dedicated to preserving this vital resource for future generations. Given that the Group operates in the leased office premises, both the water supply and discharge are solely controlled by the building management. Therefore, the provision of water withdrawal and discharge data or sub-meter for individual occupants are not feasible.

KPI A2.2 Water Consumption in total and intensity

As aforementioned, the data for water usage of the Group is not available as it is under the building management of the leased offices where the Group operates, therefore the Group is unable to provide the total water consumption and intensity of the Reporting Year.

KPI A2.3 Description of energy use efficiency targets set and results achieved

Energy consumption significantly impacts the Group’s environmental footprint, operational costs, and exposure to various risks, such as fluctuations in energy supply and pricing. In recognition of this, the Group is committed to reducing unnecessary electricity consumption as a means of lowering its associated carbon footprint. Through the implementation of the aforementioned policies and measures focused on energy management, the total energy consumption of the Group has decreased by approximately 36%, while non-renewable fuel consumption has seen a remarkable reduction of 70% compared to the previous year. This substantial decrease is primarily attributed to reduced electricity usage.

The Group remains confident that the policies and practices adopted have effectively contributed to achieving energy efficiency for the year ending 31 December 2024. Although energy consumption is closely linked to the Group’s business development needs, it adheres to the principle of minimizing waste wherever possible.

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Looking ahead, the Group aims to continue reinforcing its commitment to maximizing energy efficiency by avoiding unnecessary electricity and fuel usage. The Group will systematically manage and monitor its energy consumption growth, striving for improved performance to minimize environmental impacts in the future. Additionally, as necessary, more environmental objectives and measures will be established to align with the Group's vision for enhancing energy use efficiency.

KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and results achieved

Since the water supply is managed by the Government, there was no water supply issue identified for the Reporting Year.

Despite the challenges, the Group emphasizes the critical importance of conserving water in all its operations. This commitment is reflected in the daily practices and measures implemented to promote efficient water usage. The Group's dedication to responsible water management is underscored by its proactive strategies aimed at reducing overall water consumption, as previously outlined.

The policies and initiatives specifically designed for water use demonstrate the Group's earnest efforts to achieve water efficiency. The Group believes that these adopted measures have been effective in promoting responsible water use for the year ending 31 December 2024. Moving forward, the Group remains steadfast in its commitment to enhancing water conservation practices and continuously improving its water efficiency initiatives.

Efficient Use of Raw Material and Packaging Material
There is no significant raw material or packaging material waste was generated in view of the Group's business nature.

KPI A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced

As abovementioned, the Group's business nature does not involve using packaging materials, therefore no material record of use of raw material and disposal of packaging materials are noted during the Reporting Year.

Aspect A3: The Environment and Natural Resources
The Group is deeply committed to minimizing the consumption of natural resources and mitigating its operational impacts on the environment. To this end, comprehensive policies have been established that take into account the actual environmental effects and resource consumption, with the goal of reducing these impacts.

In addition, the Group actively promotes environmental education and advocacy among employees, fostering a culture of environmentally responsible behavior. This initiative not only enhances awareness but also empowers staff to contribute to the Group's commitment to minimizing adverse environmental impacts. By encouraging practices that avoid waste and discourage careless consumption of resources, the Group is taking meaningful steps toward sustainability and environmental stewardship.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI A3.1 Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them

We recognize that our performance concerning emissions, waste production and disposal, and resource utilization has a significant impact on the environment. In response to this understanding, the Group is dedicated to minimizing these impacts and ensuring transparent communication of our environmental policies, measures, performance, and achievements to all stakeholders.

Given the nature of the Group's business, we have not observed any significant adverse impacts on the environment or natural resources. The policies and measures implemented during the year end 31 December 2024, specifically aimed at managing the potential environmental impacts of our activities, have been outlined above. These efforts reflect our commitment to responsible environmental stewardship and our ongoing pursuit of sustainable practices.

Aspect A4: Climate Change

The Group acknowledges that climate change stands as one of the most pressing challenges facing humanity today. Recognizing our corporate responsibility in tackling the threats posed by climate change is essential, as these threats can significantly affect our business profitability and long-term resilience.

In light of this, the Group adopts a proactive and forward-thinking approach to assess our vulnerability to climate-related risks. We integrate these considerations into our strategic business planning, ensuring that sustainability is at the forefront of our decision-making processes. The Group is committed to sharing the responsibility of reducing emissions and mitigating the impacts of climate change, working collaboratively to foster a more sustainable future for all.

KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the Group, and the actions taken to manage them

To cope with the intensified threat of climate change, the Group has assessed the potential climate-related risks that may arise to its business operations. These risks mainly stem from the following dimensions:

Physical Risks

While the Group's primary focus on financial services results in minimal direct environmental impact, we are nonetheless affected by both acute and chronic risks stemming from climate change. It is imperative for the Group to evaluate our vulnerability to potential extreme weather events that could affect our city, including rainstorms, thunderstorms, typhoons, wildfires, and floods. To address these risks, the Group has implemented comprehensive training programs and emergency drills aimed at enhancing employees' awareness and preparedness for such disasters. These initiatives are designed to ensure employee safety and minimize potential asset loss, reinforcing our commitment to resilience in the face of environmental challenges.

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Transition Risks

As the urgency of climate change drives a shift toward a lower-carbon economy, we anticipate new regulations emerging across various countries and jurisdictions. Climate-related issues, such as regulatory changes, could lead to the devaluation of assets held by the Group, particularly those classified as stranded assets within the energy sector. These unforeseen fluctuations may impact the Group’s overall value. Consequently, we are becoming increasingly vigilant in evaluating investment choices within our portfolio, incorporating comprehensive assessments of climate risks. Our climate change policy provides clear guidance on identifying, mitigating, and adapting to these risks, helping to build resilience against potential climate-related events.

Reputational Risks

Extreme weather events can disrupt our operations and affect the value of our investments. Additionally, involvement in industries associated with climate change may pose reputational risks for the Group. Acknowledging the extensive impacts of climate change, our strategy leverages our expertise and insights to capitalize on climate-related opportunities while effectively managing associated risks. Beyond safeguarding our client activities, the Group is committed to adopting best practices aimed at reducing our own carbon footprint and integrating resilience into our business operations, ensuring we remain a responsible and forward-thinking entity in the face of climate challenges.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. Social

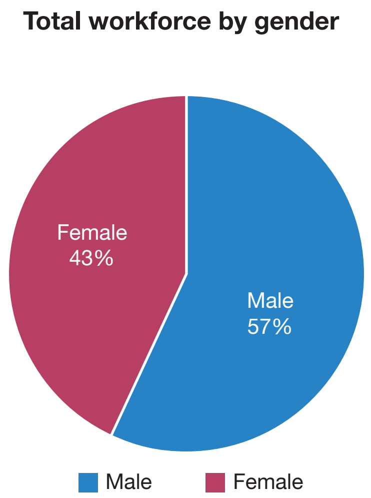
The Group strives to fulfil its social responsibilities as a corporate citizen of communities. The Group endeavours to establish harmonious relationship with our employees, customers, suppliers, and the communities. The Group cares about the well-being and the development of employees for ensuring high standard of service responsibility, enhancing transparent relationship with external parties, including customers, as well as contributing to our community development.

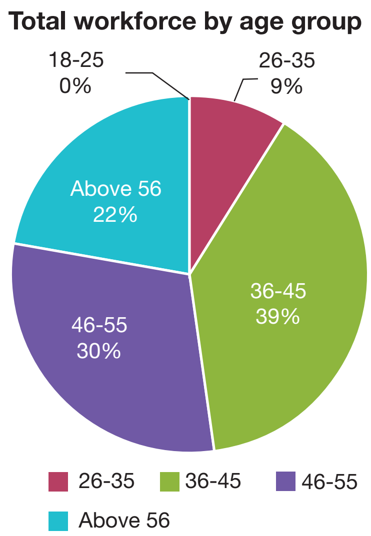
Employment and Labour Practices
Aspect B1: Employment

Employees are important assets to the Group and its success, in which efforts has been put to provide a harmonious and safe working environment in order to stimulate mutual growth of both the Group and its employees.

KPI B1.1 Total workforce by gender, employment type, age group and geographic region

As of 31 December 2024, the Group has a total number of 23 employees, all of which were full-time employees from Hong Kong in different age groups, with 57% were male employees and 43% were female employees.





The Group has established employment policies, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Given the effort of the Group in providing a well-rounded welfare and a harmonious working environment, more than half of our employees have worked for the Group for over 3 years.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Compensation and Dismissal

The Group is committed to offering competitive remuneration packages designed to attract and retain talented staff members. To ensure our compensation remains aligned with the employment market, these packages are regularly reviewed and adjusted as necessary. We strictly adhere to laws and regulations regarding minimum wage and statutory social benefits, ensuring compliance at all times.

In matters of dismissal, we follow all relevant employment laws and internal policies, including a firm commitment to preventing dismissals based solely on an employee's gender, marital status, disability, age, or family status. This approach reflects our dedication to fostering an inclusive and equitable workplace.

Additionally, the Group has implemented a share option scheme and a share award scheme aimed at providing incentives for our directors and eligible employees. These initiatives are designed to attract, retain, and motivate individuals whose current and future contributions are vital to the Group's success. By offering the opportunity to participate in the Group's future performance through share options, we empower our employees to align their interests with the long-term goals of the organization.

Talent Retention

KPI B1.2 Employee turnover rate by gender, age group and geographic region

As the Group only operates in Hong Kong, the Group maintained a monthly turnover rate of 0.35% during the Reporting Year, a detail breakdown is provided in the following table:

Employment Turnover	**Percentage in 2024**
By Gender	
Male	0.60%
Female	–
By Age Group	
18 – 25	–
26 – 35	–
36 – 45	–
46 – 55	1.04%
56 – 65	–
Above 65	–

The Group values each and every employee, fostering strong bonds and trust within our team. Moving forward, we are committed to cultivating a harmonious working environment that actively promotes employee engagement and enhances retention. Our goal is to ensure that every employee feels valued and empowered, contributing to a positive and collaborative workplace culture.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Recruitment and Promotion

The Group attracts top talent through a fair, flexible, and transparent recruitment strategy. Our recruitment process encompasses multiple stages, including job postings, detailed position descriptions, collection of applications, interviews, selection, approval, and job offers. Additionally, we recognize and reward our staff with year-end bonuses and promotion opportunities, aligning these incentives with both individual and Group performance to foster a motivated and high-achieving workforce.

Working Hours, Rest Periods, Benefits and Welfare

The Group ensures that employees' working hours, rest periods, benefits, and welfare, including mandatory provident fund contributions, comply with all relevant employment and labor laws and regulations. Additionally, we provide medical insurance to our employees, aligning our offerings with prevailing market practices to support their health and well-being.

Equal Opportunities, Diversity and Anti-discrimination

The Group is an equal opportunity employer, dedicated to fostering a fair and inclusive workplace for all employees. We adhere to the principles of equality and non-discrimination in all aspects of our operations. Recruitment, remuneration, promotions, and benefits are administered based on objective assessments and a commitment to equal opportunity, irrespective of gender, race, or other dimensions of diversity.

We deeply respect every employee and celebrate the diversity within our workforce. The Group is committed to ensuring equality throughout our recruitment, performance evaluation, and promotion processes. Discrimination of any kind– including but not limited to age, disability, sex, religion, race, pregnancy, and family status– is strictly prohibited, reinforcing our commitment to creating a supportive and equitable work environment.

Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group

For the year ended 31 December 2024, there were no confirmed non-compliance incidents or grievances in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

Aspect B2: Health and Safety

The Group is dedicated to maintaining a healthy and safe workplace for all employees, actively working to prevent workplace injuries and illnesses. We uphold the principle that ensuring occupational health and safety is a serious commitment to our employees, reflecting our responsibility within our corporate culture.

KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year

In the Year, there were no cases of work injury and fatalities (2023: nil; 2022: nil) reported in the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI B2.2 Lost days due to work injury

With reference to the above-mentioned, there was no equivalent number of lost days due to work injury during the Reporting Year.

KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored

Providing a Safe Working Environment

The Group mandates that all entities establish and document comprehensive safety policies and procedures for employees to follow. This includes setting specific targets for employee safety, regularly monitoring safety performance against these targets, and promptly reporting any safety incidents to management.

We are committed to maintaining a safe and hygienic workplace by continuously assessing the physical conditions of our offices and branches. This includes monitoring cleanliness, indoor air quality, pest control, security measures, and fire safety precautions.

In light of recent public health developments, the Group has enhanced its safety protocols, implementing rigorous inspections and thorough disinfection of our offices. A mandatory body temperature check is required before entering the workplace. Additionally, employees are required to wear surgical masks and maintain personal hygiene at all times. Those exhibiting respiratory symptoms are expected to refrain from work and seek medical advice promptly, ensuring the health and safety of all staff.

Protecting Employees from Occupational Hazards

Management is tasked with staying abreast of the latest health and safety legislation and standardizing risk assessments to ensure compliance with legal requirements for the Group's operations. We conduct annual on-site social compliance risk assessments and provide employees with comprehensive guidance and instructions on health, safety, and fire safety measures to minimize the risk of occupational hazards.

A critical component of our success in safeguarding employees from occupational hazards is equipping them with the knowledge and skills to protect themselves against both psychological and physical risks. The Group actively promotes training programs aimed at enhancing employee awareness and safety practices.

Additionally, we have implemented a robust insurance plan that offers medical benefits to all staff, covering accidents that occur on our premises. Health and safety incidents are reported to management and addressed promptly, ensuring a swift response to uphold the well-being of our workforce.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Work-life Balance

The Group actively encourages employees to engage in leisure and sports activities outside of the workplace, organizing various sports and wellness programs throughout the year to promote a healthy lifestyle. We believe that physical well-being is essential for overall productivity and job satisfaction.

Furthermore, the Group is dedicated to fostering a family-friendly work environment that prioritizes work-life balance. We strive to create a supportive atmosphere where employees can thrive both professionally and personally, ensuring they have the resources and opportunities to maintain a fulfilling lifestyle.

Compliance with Relevant Laws and Regulations that have a Significant Impact on the Group

For the year ended 31 December 2024, there were no confirmed non-compliance incidents or grievances in relation to providing a safe working environment and protecting employees from occupational hazards.

Looking ahead, the Group will continue to promote occupational health and safety to employees and will avoid any work-related injuries or accidents by all means.

Aspect B3: Development and Training

The Group is committed to providing adequate training to our employees to improve their knowledge and skills for discharging duties at work. Training includes vocational training courses provided internally or externally.

Employee Development

The Group requires employees to attend internal and external training course including employee continuing education to improve employees' knowledge and skills for their job positions.

Training Activities

The Group is committed to providing comprehensive training and development courses to all employees, aimed at enhancing their skills and knowledge. Our training programs are specifically tailored to meet the diverse needs of various job functions, ranging from technical training to on-the-job coaching, ensuring that each employee receives relevant support according to their role.

For professional staff, we encourage participation in external training sessions that cover essential topics, including updates on regulations, technical knowledge, management skills, and customer service standards. For administrative staff and others, we offer on-the-job training, which includes mentorship from supervisors, job rotation, and shadowing opportunities, all designed to maintain and elevate our work quality.

Additionally, we promote an open dialogue between employees and supervisors regarding learning plans during performance evaluations. To further support professional development, the Group provides financial subsidies for employees seeking to attend external training courses when appropriate.

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In our daily operations, we implement induction training for new hires, pairing them with experienced employees who serve as mentors. This approach fosters communication and team spirit while enhancing both technical skills and managerial capabilities, encouraging a culture of continuous learning and development at all levels.

The Group is dedicated to intensifying its efforts in promoting staff training programs, believing that comprehensive training opportunities are essential for cultivating a strong talent pool for corporate growth. We will continually assess the training needs of our employees to ensure that suitable and relevant training is provided, aligned with their job responsibilities and career aspirations.

KPI B3.1 The percentage of employees trained by gender and employee function

During the Reporting Year, there were 69 external training sessions attended by 14 participants with a total of 231.45 hours of training. The percentage of trained employees by employment functions of Managerial, Professional, and General and Technical[2] are 29%, 53% and 18%, while the percentage of trained employees by gender is 59% for male and 41% for female respectively.

KPI B3.2 The average training hours completed per employee by gender and employee function

The average training hours of trained employee was approximately 16.53 hours per employee. The average training hours completed per employee by gender is around 10.28 hours and 18.39 hours for male and female respectively, while the average training hours completed by employee function is around 19.75 hours, 14.41 hours and 1 hour for Managerial, Professional, and General and Technical respectively. Moving forward, the Group remains committed to fostering an environment where employees at all levels are encouraged to participate in the training programs provided by the company. These initiatives are designed not only to clarify and ensure the fulfillment of job expectations but also to enhance employees' skills and knowledge simultaneously. By investing in ongoing education and professional development through company-sponsored training, we aim to empower our workforce, promote individual growth, and ultimately drive organizational success.

2 General and technical refers administrative assistant, assistant accountant, driver, personal assistant.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect B4: Labour Standards
The Group is committed to avoiding child and forced labour in the workplace.

Preventing Child and Forced Labour
The Group strictly prohibits child labour. It requires the human resource department and user departments to work together to prevent or identify child labour, and to ensure child labour is not in the workforce.

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour

The human resources department with establishing comprehensive procedures for employment and recruitment, ensuring the prevention of child labor. Additionally, the Group facilitates the involvement of employee representatives in signing collective contracts with the company, which clearly outline working hours, intensity of labor, vacation entitlements, and employee welfare. These measures are designed to safeguard the rights and interests of our workforce.

Furthermore, we ensure that our headquarters and all subsidiaries adhere to established management policies during the recruitment process and comply with both international laws and the labor laws of Hong Kong.

KPI B4.2 Description of steps taken to eliminate such practices when discovered

The Group is dedicated to upholding human rights and prohibiting forced labor, fostering a workplace characterized by respect, fairness, and voluntary participation for all employees. In the event of any suspicious activities, we approach the matter with the utmost seriousness, ensuring thorough discussions and appropriate resolutions for any confirmed illegal cases.

Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group
For the year ended 31 December 2024, there were no confirmed non-compliance incidents or grievances in relation to child and forced labour.

Operating Practices
Aspect B5: Supply Chain Management
Effective supply chain management is essential for enhancing business operations and enabling companies to compete more successfully. The Group mandates an impartial selection process for suppliers and service providers, maximizing competition during the tendering process. We emphasize the approval of contract terms, adherence to laws and regulations, and the prevention and detection of bribery or fraud in procurement activities.

Additionally, our procurement practices focus on achieving efficiency and cost savings. All contracts for the procurement of products and services are based exclusively on specifications, quality, service, price, and relevant environmental and social considerations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI B5.1 Number of suppliers by geographical region

As local suppliers primarily support the essential operations of the Group's offices by providing office supplies and other daily necessities, their impact is considered immaterial to the overall business nature and operations of the Group. Consequently, there are no significant records of suppliers to report for the Reporting Year.

KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored

The Group actively encourages suppliers to pursue continuous improvement and adopt best practices to enhance their sustainability. During the engagement process, the procurement department ensures that the Group's expectations regarding legal compliance, respect for individuals, ethical business conduct, and environmental stewardship are clearly communicated to all suppliers.

KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored

The Group recognizes that effective supply chain management is vital for identifying and addressing environmental and social risks throughout the supply chain. We require suppliers to deliver products and services that meet high standards of quality, health, and safety, ensuring compliance with environmental laws and labor standards. Additionally, our suppliers must strictly adhere to all applicable laws and regulations.

KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored

The Group has implemented comprehensive supply chain management policies and procedures that encompass assessment, selection, approval, procurement, and monitoring. We take into account suppliers' ESG performance, along with relevant certifications such as ISO 14001 and OHSAS 18001. Additionally, the Group conducts regular evaluations of supplier performance and requires corrective actions in cases of unsatisfactory results. Should suppliers fail to meet our quality standards, we are prepared to terminate the business relationship.

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Aspect B6: Product Responsibility

Product responsibility refers to health and safety, advertising, labelling and privacy matters relating to the services provided.

Health and Safety

The Group takes full responsibility for the services we provide, prioritizing health and safety in all aspects of our operations. We adhere strictly to internal policies and regulatory requirements while delivering our services, regularly reviewing service quality and seeking customer feedback to identify areas for improvement. In addition to complying with regulations regarding the custody of customer assets, the Group is committed to protecting clients' assets by implementing robust controls, such as maintaining designated trust accounts for managing customer funds, which are regularly audited by independent accountants.

KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons

Given the Group's business nature, no products sold or shipped were recalled due to safety and health reasons.

KPI B6.2 Number of products and service-related complaints received and how they are dealt with

For the year ended 31 December 2024, there were no complaints received. The Group has an established mechanism for handling complaints in case of such events occurrence, in which they will be reported directly to the management and will be handled by the management for resolving related matters.

Advertising

The Group respects our customers' rights and is dedicated to providing accurate service information to aid in their purchasing decisions. We require a thorough review of all advertising materials to safeguard our customers' interests.

Labelling

The Group mandates that all labeling is accurate, legitimate, clear, and non-misleading, while also ensuring the protection of intellectual property rights. In our daily operations, we explain the inherent risks associated with our financial products to assist customers in their decision-making process. The Group ensures that all information and marketing materials are free from misleading content and implements preventive measures, including "Know-Your-Customer" procedures, to more effectively protect our customers' interests.

KPI B6.3 Description of practices relating to observing and protecting intellectual property rights

The Group values the intellectual property rights of others and strives to comply with all relevant laws pertaining to intellectual property. We ensure that all employees refrain from infringing on third-party copyrights, and any violations will result in disciplinary action.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Methods of Redress

KPI B6.4 Description of quality assurance process and recall procedures

While the Group is committed to ensuring the quality of our services, we also require that any services exhibiting quality, safety, or health issues be compensated in accordance with the terms of our service agreements. Compensation must be provided to all affected customers in a consistent manner, following established procedures.

Privacy Matters

The Group is committed to protecting customer data and privacy information, and keeping business information confidential. Training to employees in this regard and proper information system security are required.

KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored

We recognize the critical importance of protecting the privacy and confidentiality of our customers' information. To this end, we have established an internal policy governing the collection, handling, and disclosure of client data, which has been communicated to our staff. In accordance with the Personal Data (Privacy) Ordinance, the Group prohibits the use of any personal information for direct marketing purposes without the explicit or implicit consent of clients. Employees are required to sign a non-disclosure agreement upon their employment. Additionally, we provide on-the-job training to foster privacy awareness and enhance prudence and integrity in handling personal data. To prevent privacy breaches, we regularly review the adequacy of our IT security measures and maintain logs and trails of access.

Compliance with Relevant Laws and Regulations that have a Significant Impact on the Group

For the year ended 31 December 2024, there were no confirmed non-compliance incidents or grievances in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

Aspect B7: Anti-corruption

The Group has implemented anti-corruption policies that prohibit employees from accepting any advantages offered by customers, suppliers, colleagues, or other parties while performing their duties. These policies also forbid any activities related to conflicts of interest, bribery, extortion, fraud, and money laundering. We encourage employees, customers, suppliers, and other stakeholders to report any incidents involving conflicts of interest, bribery, extortion, fraud, or money laundering.

KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period and the outcomes of the cases

During the Reporting year, there were no legal cases nor confirmed non-compliance incidents regarding corrupt practices brought against the Group or its employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored

Our expectations regarding employees' ethical conduct are outlined in the Employee Handbook, which is distributed and communicated to all staff. The Group has established a whistle-blowing channel that allows employees to report any suspected misconduct, as detailed in our policy on raising concerns about improprieties. Reports are promptly followed up and investigated by independent personnel. Additionally, we provide regular training for management and employees to ensure they are informed about the latest regulations and best practices related to anti-bribery, extortion, fraud, and money laundering.

KPI B7.3 Description of anti-corruption training provided to directors and staff

Currently, the Policy forms the cornerstone of the Group's anti-corruption framework, requiring all employees to familiarize themselves with its details and strictly adhere to the policies outlined in the Group's Internal Policy. Going forward, the Group will consider providing anti-corruption training to employees as needed, further extending its advocacy to reinforce the importance of integrity within the organization.

Community
Aspect B8: Community Investment
As a socially responsible company, the Group is dedicated to making a positive impact in the communities where we operate. We prioritize community engagement to gain a deeper understanding of local needs and aspirations, ensuring that our activities not only align with but also advance the interests of these communities. Through collaborative initiatives and thoughtful consideration of their perspectives, we strive to foster sustainable development and enhance the well-being of the areas we serve.

KPI B8.1 Focus areas of contribution

During the Reporting Year, the Group has no activities regarding to the focus area of social concerns.

KPI B8.2 Resources contributed to the focus area

As of 31 December 2024, the Group has no activities regarding to the Resources contributed to the focus area.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL DATA

Emissions Indicators	2023	2024
Air Emissions		
Total air emissions	2,155 g	695 g
Air emissions intensity	94 g per employee	30g per employee
Greenhouse Gas Emissions		
Total greenhouse gas emissions	63 tonnes	44 tonnes
Greenhouse gas emission intensity	2.7 tonnes per employee	1.9 tonnes per employee
Scope 1 Emissions from Mobile Vehicles	13.84 tonnes	3.81 tonnes
Scope 2 Emissions from Electricity Consumption	46.16 tonnes	38.45 tonnes
Scope 3 Emissions from Disposal of Paper Waste	2.64 tonnes	1.82 tonnes
Scope 3 Emissions from Business Travel by Employees	–	–
Non-hazardous waste produced		
Total non-hazardous waste produced	0.55 tonnes	0.38 tonnes
Non-hazardous waste produced intensity	0.02 tonnes per employee	0.02 tonnes per employee
Use of Resources Indicators		
Energy consumption		
Total energy consumption	115 kWh	74 kWh
Energy consumption intensity	5 kWh in ’000s per employee	3 kWh in ’000s per employee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL DATA

Employment Indicators	2023	2024
Employment		
Number of employees	23	23
By Employment Type		
Full-time	100%	100%
Part-time	–	–
Temporary	–	–
By Gender		
Male	57%	57%
Female	43%	43%
By Age Group		
18-25	–	–
26-35	9%	9%
36-45	43%	39%
46-55	26%	30%
56-65	22%	22%
Above 65	–	–
By Years of Service		
Under 1 year	4%	4%
1 – 3 years	31%	18%
3 – 5 years	13%	22%
5 – 10 years	35%	39%
Over 10 years	17%	17%
By Geographical Region		
Hong Kong	100%	100%
Employment turnover		
% of employee turnover (monthly average)		
By Gender		
Male	2.31%	0.60%
Female	1.39%	–
By Age Group		
18-25	–	–
26-35	4.17%	–
36-45	0.76%	–
46-55	2.08%	1.04%
56-65	1.39%	–
By Geographical Region		
Hong Kong	1.62%	0.35%

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	2023	2024
Health and Safety Indicators		
Number of reported injuries	–	–
Number of lost hours	–	–
Number of fatalities	–	–
Development and Training Indicator		
Number of training attended	25	69
Number of attendants	4	14
% of employees trained		
By Gender		
Male	50%	59%
Female	50%	41%
By Employment Function		
Managerial	75%	29%
Professional	25%	53%
General and Technical	–	18%
Average training hours completed per employee		
By Gender		
Male	1.08	10.28
Female	9.23	18.39
By Employee Function		
Managerial	28.92	19.75
Professional	19.50	14.41
General and Technical	–	1.00
Supply Chain Indicator		
Total number of suppliers traded in the Reporting Year	N/A	N/A
Product Responsibility Indicators		
Total number of complaints received	–	–
Anti corruption Indicators		
Number of concluded legal cases regarding corruption	–	–
Community Investment Indicator		
Donation (HKD)	N/A	N/A

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ESG REPORTING GUIDE & REFERENCE

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KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) Greenhouse gas emission (in tonnes) and where appropriate, intensity (e.g per unit of production volume, per facility).	52
KPI A1.3 Total hazardous waste produced (in tonnes) and where appropriate, intensity (e.g per unit of production volume, per facility).	N/A
KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g per unit of production volume, per facility).	55
KPI A1.5 Description of emission target(s) set and steps taken to achieve them.	56
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KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	59
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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INDEPENDENT AUDITOR'S REPORT

Forvis Mazars CPA Limited
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To the members of Oshidori International Holdings Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Oshidori International Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 85 to 175, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and 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 (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance ("**HKCO**").

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, we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matters	How our audit addressed the key audit matters
Valuation of unlisted financial assets designated at fair value through other comprehensive income ("Designated FVOCI")	
As at 31 December 2024, the Group has unlisted Designated FVOCI of approximately HK$468,776,000 which is stated at fair value based on valuations carried out by independent qualified professional valuer (the "**Valuer**"). We identified the valuation of unlisted Designated FVOCI as a key audit matter due to the significant judgement associated with determining the fair value. Details of the related disclosures of unlisted Designated FVOCI are set out in notes 4, 18 and 37 to the consolidated financial statements.	Our key procedures in relation to management's assessment on the valuation of unlisted Designated FVOCI included: • Evaluating the competence, capabilities and objectivity of the Valuer; • Obtaining an understanding of the valuation process and techniques adopted by the Valuer; • Evaluating the appropriateness of the model used by the Valuer to calculate the fair value; • Checking the accuracy of the key input data, on a sample basis, used by the Valuer; • Assessing the reasonableness of key assumptions and variables by comparing with historical results and published market and industry data; and • Obtaining the valuation reports to assess the reasonableness of any significant unobservable input and the accuracy of the source data adopted by the management and the Valuer.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key Audit Matters

Loss allowance for expected credit loss ("ECL") on loan and interest receivables from credit and lending business

We identified the loss allowance for ECL on loan and interest receivables from money lending business as a key audit matter due to the significance of carrying amounts of loan and interest receivables to the consolidated financial statements and the application of significant judgement by the management in evaluating the recoverability and creditworthiness of the borrowers.

Management assessed the provision for ECL of loan and interest receivables based on probability-weighted estimate of credit losses over the expected life of these receivables and where there are any events or changes in circumstances indicate a detrimental impact on the estimated future cash flows of these balances.

In particular, as detailed in note 36 to the consolidated financial statements, the Group has concentration of credit risk as the exposure of the largest client and the five largest clients represents 10% and 42% of the total loans to money lending clients as at 31 December 2024 respectively. As any impairment of such receivables will have a significant impact on the Group's financial position and financial performance, we consider impairment assessment of such receivables as a key audit matter.

The carrying value of the loan and interest receivables from money lending business was approximately HK$626,287,000 as at 31 December 2024, in respect of which loss allowance of approximately HK$40,752,000 on ECL has been made as of 31 December 2024. Further details are set out in notes 4, 24 and 36 to the consolidated financial statements.

How our audit addressed the key audit matters

Our key audit procedures in relation to management's recoverability assessment of loan and interest receivables from money lending business included:

- Understanding the established policies and procedures on credit risk management of loan and interest receivables from credit and lending business;
- Evaluating the design of risk assessment with respect to the identification of receivables with overdue or default payments or insufficient collateral; and
- Assessing management's judgement over the ECL and creditworthiness of the borrowers by assessing the available information, such as background information of the borrowers, recoverable amount of pledged collateral, past collection history of borrowers, concentration risk of borrowers, the Group's actual loss experience, forward-looking information and subsequent settlement of the loan and interest receivables.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (as amended), 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.

INDEPENDENT AUDITOR'S REPORT

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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 27 March 2025

The engagement director on the audit resulting in this independent auditor's report is:
Lam Ka Ki
Practising Certificate Number: P08258

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Note	**2024** *HK$'000*	2023 *HK$'000*
Revenue			
Advisory, commission income and other fee income		**1,091**	3,377
Net (loss) gain on sales of financial assets at fair value through profit or loss ("**FVPL**")		**(15,249)**	419
Interest income		**40,942**	42,817
Dividend income		**9,268**	13,611
Total revenue	5	**36,052**	60,224
Other income	6	**7,322**	22,870
Other net gains (losses)	8	**6,246**	(13,230)
Net unrealised fair value loss on financial assets at FVPL	10	**(42,981)**	(46,427)
(Provision for) Reversal of impairment loss in respect of loan receivables, net	24(c)	**(29,630)**	23,528
Depreciation and amortisation expenses	10	**(16,947)**	(29,375)
Employee benefits expenses	10	**(13,280)**	(16,900)
Other expenses	10	**(56,610)**	(46,617)
Share of results of associates	20	**(60,605)**	(37,899)
Share of results of a joint venture	21	**(18,271)**	14,651
Finance costs	9	**(5,971)**	(13,724)
Loss before taxation	10	**(194,675)**	(82,899)
Income tax expense	11	**(5)**	(1,587)
Loss for the year		**(194,680)**	(84,486)
Other comprehensive expense:			
Items that will not be reclassified to profit or loss			
Fair value change on equity investments measured at fair value through other comprehensive income ("**Designated FVOCI**")	18(a)	**(449,420)**	(1,465,461)
Share of other comprehensive expense of associates	20	**(54,126)**	(15,756)
Share of other comprehensive expense of a joint venture	21	**(1,249)**	-
		(504,795)	(1,481,217)
Item that is reclassified or may be reclassified subsequently to profit or loss			
Exchange differences arising on translation to presentation currency		**(294)**	(1,754)
Total other comprehensive expense for the year		**(505,089)**	(1,482,971)
Total comprehensive expense for the year		**(699,769)**	(1,567,457)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2024

	Note	**2024**	2023
		HK$'000	*HK$'000*
Loss for the year attributable to:			
Owners of the Company		**(194,506)**	(84,486)
Non-controlling interests		**(174)**	-
		(194,680)	(84,486)
Total comprehensive expense attributable to:			
Owners of the Company		**(699,595)**	(1,567,457)
Non-controlling interests		**(174)**	-
		(699,769)	(1,567,457)
		HK cents	*HK cents*
Loss per share	14		
Basic		**(3.15)**	(1.38)
Diluted		**(3.15)**	(1.38)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
Non-current assets			
Property and equipment	15	**13,739**	130,005
Investment property	16	**80,390**	86,530
Right-of-use assets	17	**10,158**	11,856
Designated FVOCI	18	**1,471,386**	1,971,977
Debt investment at amortised cost	19	**-**	30,000
Interests in associates	20	**212,278**	327,009
Interests in a joint venture	21	**144,984**	164,504
Intangible assets	22	**14,366**	15,114
Other deposits	23	**418**	425
Loan receivables	24	**3,403**	6,521
		1,951,122	2,743,941
Current assets			
Trade, loan and other receivables	24	**770,929**	464,628
Income tax recoverable		**990**	2,041
Debt investment at amortised cost	19	**30,000**	-
Financial assets at FVPL	25	**149,823**	224,804
Bank balances – trust and segregated accounts	26	**32,547**	54,926
Short-term bank deposits	26	**-**	50,000
Cash and cash equivalents	26	**282,373**	348,050
		1,266,662	1,144,449
Current liabilities			
Trade and other payables	27	**120,972**	93,101
Lease liabilities	28	**6,778**	6,670
Income tax payable		**862**	1,016
Interest-bearing borrowings	29	**49,271**	51,235
		177,883	152,022
Net current assets		**1,088,779**	992,427
Total assets less current liabilities		**3,039,901**	3,736,368
Non-current liabilities			
Lease liabilities	28	**3,746**	5,323
NET ASSETS		**3,036,155**	3,731,045

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	**2024** **HK$'000**	2023 HK$'000
Capital and reserves			
Share capital	31	**309,162**	305,463
Reserves		**2,722,856**	3,425,582
Equity attributable to owners of the Company		**3,032,018**	3,731,045
Non-controlling interests		**4,137**	-
TOTAL EQUITY		**3,036,155**	3,731,045

The consolidated financial statements on pages 85 to 175 were approved and authorised for issue by the Board of Directors on 27 March 2025 and are signed on its behalf by:

Director
Sam Hing Cheong

Director
Wong Yat Fai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

	Notes	Attributable to equity holders of the Company								
		Share capital *HK$'000*	Share premium *HK$'000* *(Note i)*	Translation reserve *HK$'000* *(Note ii)*	Contribution surplus *HK$'000* *(Note iii)*	Investment revaluation reserve (non-recycling) *HK$'000* *(Note iv)*	Share option reserve *HK$'000* *(Note 32)*	Share award reserve *HK$'000* *(Note 32)*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1 January 2023		305,463	194,215	(73,778)	5,682,380	(862,937)	107,225	60,561	(134,814)	5,278,315
Loss for the year		–	–	–	–	–	–	–	(84,486)	(84,486)
Other comprehensive expense										
Items that will not be reclassified to profit or loss										
Fair value change on Designated FVOCI	18(a)	–	–	–	–	(1,465,461)	–	–	–	(1,465,461)
Share of other comprehensive expense of an associate	20	–	–	–	–	(15,756)	–	–	–	(15,756)
		–	–	–	–	(1,481,217)	–	–	–	(1,481,217)
Item that is reclassified or may be reclassified subsequently to profit or loss										
Exchange differences arising on translation to presentation currency		–	–	(1,754)	–	–	–	–	–	(1,754)
Total other comprehensive expense for the year		–	–	(1,754)	–	(1,481,217)	–	–	–	(1,482,971)
Total comprehensive expense for the year		–	–	(1,754)	–	(1,481,217)	–	–	(84,486)	(1,567,457)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	18(a)	–	–	–	–	84,935	–	–	(84,935)	–
Transactions with owners:										
Contribution and distribution										
Recognition of equity-settled share-based payments	32	–	–	–	–	–	–	20,187	–	20,187
Total transactions with owners		–	–	–	–	–	–	20,187	–	20,187
At 31 December 2023		305,463	194,215	(75,532)	5,682,380	(2,259,219)	107,225	80,748	(304,235)	3,731,045

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2024

		Attributable to equity holders of the Company									Non-controlling interests	
	Notes	Share capital HK$'000	Share premium HK$'000 (Note i)	Translation reserve HK$'000 (Note ii)	Contribution surplus HK$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK$'000 (Note iv)	Share option reserve HK$'000 (Note 32)	Share award reserve HK$'000 (Note 32)	Accumulated losses HK$'000	Total HK$'000	Share of other equity components HK$'000	Total HK$'000
At 1 January 2024		305,463	194,215	(75,532)	5,682,380	(2,259,219)	107,225	80,748	(304,235)	3,731,045	-	3,731,045
Loss for the year		-	-	-	-	-	-	-	(194,506)	(194,506)	(174)	(194,680)
Other comprehensive expense												
Items that will not be reclassified to profit or loss												
Fair value change on Designated FVOCI	18(a)	-	-	-	-	(449,420)	-	-	-	(449,420)	-	(449,420)
Share of other comprehensive expense of an associate	20	-	-	-	-	(54,126)	-	-	-	(54,126)	-	(54,126)
Share of other comprehensive expense of a joint venture	21	-	-	-	-	(1,249)	-	-	-	(1,249)	-	(1,249)
		-	-	-	-	(504,795)	-	-	-	(504,795)	-	(504,795)
Item that is reclassified or may be reclassified subsequently to profit or loss												
Exchange differences arising on translation to presentation currency		-	-	(294)	-	-	-	-	-	(294)	-	(294)
Total other comprehensive expense for the year		-	-	(294)	-	(504,795)	-	-	-	(505,089)	-	(505,089)
Total comprehensive expense for the year		-	-	(294)	-	(504,795)	-	-	(194,506)	(699,595)	(174)	(699,769)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	18(a)	-	-	-	-	73,838	-	-	(73,838)	-	-	-
Transactions with owners:												
Contribution and distribution												
Issue of new shares upon vesting of awarded shares	32	3,750	60,000	-	-	-	-	(63,750)	-	-	-	-
Lapse of awarded shares	32	-	-	-	-	-	-	(16,998)	16,998	-	-	-
Repurchase and cancellation of shares	31(a)	(51)	(70)	-	-	-	-	-	-	(121)	-	(121)
		3,699	59,930	-	-	-	-	(80,748)	16,998	(121)	-	(121)
Changes in ownership interests												
Changes in ownership interests in subsidiaries that do not result in a loss of control	40(ii)	-	-	-	-	-	-	-	689	689	4,311	5,000
Total transactions with owners		3,699	59,930	-	-	-	-	(80,748)	17,687	568	4,311	4,879
At 31 December 2024		309,162	254,145	(75,826)	5,682,380	(2,690,176)	107,225	-	(554,892)	3,032,018	4,137	3,036,155

Notes:

(i) Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value. The application of the share premium account is governed by Section 46(2) of the Companies Act 1981 of Bermuda (as amended).

(ii) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iii) Contribution surplus represents residual arising from the reduction of share premium of the Company pursuant to special resolutions passed by the Company on 2 June 2005 and 23 May 2007.

(iv) Investment revaluation reserve (non-recycling) comprises the accumulated net change in the fair value of Designated FVOCI that have been recognised in other comprehensive income, net of the amounts reclassified to retained earnings when those investments are disposed of, and share of other comprehensive income of associates and the joint venture.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 HK$'000	2023 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(194,675)**	(82,899)
Depreciation of property and equipment and right-of-use assets	15, 17	**16,447**	28,875
Amortisation of intangible assets	22	**500**	500
Interest expenses	9	**5,971**	13,724
Interest income	5, 6	**(8,873)**	(16,179)
Dividend income	5	**(9,268)**	(13,611)
Provision for (Reversal of) impairment loss in respect of loan receivables, net	24(c)	**29,630**	(23,528)
Bad debts written off	8	**16**	330
Gain on deemed disposal of an associate		**–**	(125)
Gain on disposal of an associate		**–**	(638)
Loss on redemption of financial assets at FVPL		**–**	52
Gain on disposal of financial assets arising from a financing arrangement		**–**	(4,562)
Gain on disposal of property and equipment	8	**(16,391)**	-
Fair value loss on investment property	16	**6,140**	16,220
Provision for impairment loss on intangible assets	22	**248**	-
Share of results of associates	20	**60,605**	37,899
Share of results of a joint venture	21	**18,271**	(14,651)
Share-based payment expenses	32	**–**	20,187
Net unrealised fair value loss on financial assets at FVPL	10	**42,981**	46,427
Changes in working capital			
Other deposits		**7**	5,047
Trade, loan and other receivables		**(332,989)**	414,812
Financial assets at FVPL		**32,000**	13,645
Bank balances — trust and segregated accounts		**22,379**	(5,181)
Trade and other payables		**27,886**	(80,337)
Cash (used in) generated from operations		**(299,115)**	356,007
Interest paid		**(5,172)**	(8,366)
Income tax refunded		**892**	2,790
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(303,395)**	350,431

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2024

	Notes	2024 HK$'000	2023 HK$'000
INVESTING ACTIVITIES			
Dividend received		**9,268**	13,611
Interest received		**8,873**	16,050
Purchase of property and equipment	15	**(81)**	(5,845)
Proceeds from disposal of property and equipment	15(a)	**122,967**	–
Purchase of Designated FVOCI		**(100,122)**	(261,211)
Proceeds from disposal of Designated FVOCI	18(a)	**151,293**	69,783
Redemption of debt investment at amortised cost		**–**	70,000
Proceeds from disposal of financial assets arising from a financing arrangement		**–**	110,000
Injection of funds to associates		**–**	(209,100)
Dividend distribution received from an associate	20	**–**	2,243
Proceeds from disposal of an associate		**–**	638
Placement of short-term bank deposits		**–**	(140,000)
Withdrawal of short-term bank deposits		**50,000**	90,000
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**242,198**	(243,831)
FINANCING ACTIVITIES			
Repurchase of shares	31(a)	**(121)**	–
Drawdown of interest-bearing borrowings	33	**-**	–
Repayment of interest-bearing borrowings	33	**(1,964)**	(118,464)
Lease payment	33	**(7,246)**	(7,247)
Proceeds from disposal of ownership interests in subsidiaries that does not result in a loss of control	40(ii)	**5,000**	–
NET CASH USED IN FINANCING ACTIVITIES		**(4,331)**	(125,711)
Net decrease in cash and cash equivalents		**(65,528)**	(19,111)
Cash and cash equivalents at the beginning of the reporting period		**348,050**	368,819
Effect on exchange rate changes on cash and cash equivalents		**(149)**	(1,658)
Cash and cash equivalents at the end of the reporting period		**282,373**	348,050
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	26	**282,373**	293,050
Non-pledged time deposits with original maturity of 3 months or less when acquired	26	**–**	55,000
		282,373	348,050

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

1. GENERAL

Oshidori International Holdings Limited (the "**Company**") is a public limited company incorporated in Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2024 annual report of the Company.

The Company and its subsidiaries (together the "**Group**") principally engage in investment holdings, tactical and/or strategical investments, the provision of financial services including (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (v) investment advisory and asset management services, and the provision of credit and lending services.

Certain group entities are licenced under the Hong Kong Securities and Futures Ordinance with the following regulated activities:

Type 1: Dealing in securities
Type 2: Dealing in futures contracts
Type 4: Advising on securities
Type 6: Advising on corporate finance
Type 8: Securities margin financing
Type 9: Asset management

The consolidated financial statements are presented in Hong Kong dollars, which is the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for investment property, equity investments measured at fair value through other comprehensive income ("**Designated FVOCI**"), and financial assets measured at fair value through profit or loss ("**FVPL**"), which are measured at fair values as explained in the accounting policies set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value unless another measurement basis is required by HKFRSs.

Allocation of total comprehensive income

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

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented in note 41 to the consolidated financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Associates and joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is a 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 reassesses whether it has joint control of an arrangement and whether the type of joint arrangement in which it is involved has changed, if facts and circumstances change.

The Group's investment in associate or joint venture is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long-term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on an acquisition of an associate or a joint venture is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate or joint venture. Such goodwill is included in interests in associates or joint ventures. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Associates and joint ventures (Continued)

On the loss of significant influence, the Group remeasures any retained interest in the former investee at fair value. The difference between the fair value of any retained investment and proceeds from disposing of the partial interest in the investee and the carrying amount of the investment at the date when significant influence or joint control is lost is recognised in profit or loss. In addition, all amounts previously recognised in other comprehensive income in respect of the former investee are accounted for on the same basis as would be required if the former investee had directly disposed of the related assets or liabilities. The fair value of the retained interest on the date of ceasing to be an associate or joint venture is regarded as the fair value on initial recognition as a financial asset.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and 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. Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	15 to 20%
Yacht	10%
Furniture, fixtures and equipment	18% to 25%
Motor vehicles	20%

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Investment properties

Investment properties are buildings that are held by owner or lessee, to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use.

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Investment properties (Continued)

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

Intangible assets

Trading rights

Trading rights that confer eligibility on the Group to trade on the Stock Exchange and Hong Kong Futures Exchange Limited (the "**Futures Exchange**"). The initial cost of acquiring trading rights is capitalised. Trading rights with indefinite useful lives are carried at cost less accumulated impairment losses. Trading rights are tested for impairment annually.

Membership debenture

Membership debenture that confer eligibility on the Group to acquire club membership. The initial cost of acquiring membership debenture is capitalised. Membership debenture with indefinite useful lives is carried at cost less accumulated impairment losses. Membership debenture is tested for impairment annually.

Club membership

The initial cost of acquiring club membership is capitalised. Club membership with finite useful life is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over its estimated useful life of 10 years.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

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

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Designated FVOCI; or (iii) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) *Financial assets measured at amortised cost*

An equity investment is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include debt investment at amortised cost, trade, loan and other receivables, bank balances – trust and segregated accounts, short-term bank deposits and cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement (Continued)

2) *Designated FVOCI*

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Group's Designated FVOCI include listed and unlisted equity securities not held for trading.

3) *Financial assets at FVPL*

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include listed equity securities and unlisted investment funds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and interest-bearing borrowings. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items under HKFRS 9

The Group recognises loss allowances for expected credit loss ("**ECL**") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

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

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

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral

(iv) industry of debtors

(v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

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

Low credit risk

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

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in note 36 to the consolidated financial statements, bank balances are determined to have low credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Simplified approach of ECL

For trade receivables other than margin clients, without a significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Equity instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For classification in the statement of financial position, cash equivalents represent assets similar in nature to cash and which are not restricted as to use.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is securities brokerage, placing and underwriting, and other corporate finance advisory services.

Identification of performance obligations

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

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

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

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

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

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

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition (Continued)

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

Revenue or income arising from financial services is recognised on the following basis:

- Commission income for broking business is recorded as income at point in time on a trade date basis;

- Underwriting commission income, sub-underwriting income, placing commission income and referral fee income are recognised as income at point in time in accordance with the terms of the underlying agreement or deal mandate when relevant significant act has been completed; and

- Advisory and other fee income is recognised over time when the relevant transactions have been arranged or the relevant services have been rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

- Interest income from margin clients is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rate applicable.

- Other interest income from financial assets is recognised using the effective interest method.

For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in the currency of Hong Kong dollars, which is also the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("**foreign operations**") are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.

- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.

- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property and equipment, right-of-use assets, intangible assets, interests in associates, interests in a joint venture and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is recognised as income in profit or loss immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Leases

The Group assesses whether a contract is, or contains, a lease at inception of the contract. 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.

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	2 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset, if any, during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

As lessee (Continued)

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

Sale and leaseback transactions

The Group applies the requirements for determining when a performance obligation is satisfied in HKFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset.

If the transfer of an asset by the seller-lessee satisfies the requirements of HKFRS 15 to be accounted for as a sale of the asset:

- the seller-lessee measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

- the buyer-lessor accounts for the purchase of the asset applying applicable HKFRSs, and for the lease applying the lessor accounting requirements in HKFRS 16.

If the fair value of the consideration for the sale of the asset does not equal to the fair value of the asset, or if the payments for the lease are not at market rates, the following adjustments are made to measure the sale proceeds at fair value:

- any below-market terms are accounted for as a prepayment of lease payments; and

- any above-market terms are accounted for as additional financing components provided by the buyer-lessor to the seller-lessee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Sale and leaseback transactions (Continued)

If the transfer of an asset by the seller-lessee does not satisfy the requirements of HKFRS 15 to be accounted for as a sale of the asset:

- the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The financial liability is accounted for applying HKFRS 9.

- the buyer-lessor does not recognise the transferred asset and recognises a financial asset equal to the transfer proceeds. The financial asset is accounted for applying HKFRS 9.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Retirement benefit costs

Payment to defined contribution retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as expenses in profit or loss as incurred when employees have rendered service entitling them to the contributions.

Long service payments

The Group's net obligation in respect of long service payments under the Hong Kong Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

Share-based payment transactions

Equity-settled transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of profit or loss and other comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Share-based payment transactions (Continued)

Equity-settled share-based transactions (Continued)

When the share awards are vested, the amount previously recognised in share award reserve will be transferred to retained earnings.

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

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that 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 is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

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

(a) A person or a close member of that person's family is related to the Group if that person:

   (i) has control or joint control over the Group;

   (ii) has significant influence over the Group; or

   (iii) is a member of the key management personnel of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(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 holding company, 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 holding company 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.

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

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

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

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 chief operating decision makers, namely the executive directors of the Company, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

3. FUTURE CHANGES IN HKFRSS

At the date of authorisation of the consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 21	Lack of Exchangeability [1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments [2]
Annual Improvements to HKFRSs	Volume 11 [2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity [2]
HKFRS 18	Presentation and Disclosure in Financial Statements [3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 The effective date to be determined

The directors do not anticipate that the adoption of these new/revised HKFRSs in future periods will have any material impact on the result of the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Fair value estimation

The Group's unlisted Designated FVOCI have been valued based on the valuation from an independent professional valuer. The valuation requires the Group to make some estimation on a number of significant unobservable inputs associated with the investment. As at 31 December 2024, the Group has unlisted Designated FVOCI of approximately HK$468,776,000 (2023: HK$645,727,000). Details of the key assumption and inputs used in the valuation are set out in note 37 to the consolidated financial statements.

The Group's investment property located in Hong Kong has been valued based on the valuation from an independent professional valuer. The valuation performed was arrived at with reference to recent market transaction prices of comparable properties and adjusted to reflect the condition and locations of the subject properties at the end of reporting period with total fair value of approximately HK$80,390,000 (2023: HK$86,530,000) at 31 December 2024. Favourable or unfavourable changes to recent market prices would result in changes in the fair value of the Group's investment property and corresponding adjustments to the amount of gain or loss reported in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty (Continued)

Loss allowance for ECL

The Group's management estimates the loss allowance for financial assets at amortised cost including trade, loan and other receivables, debt investment at amortised cost and bank balances by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, recoverable amount of pledged collateral, past collection history of borrowers, concentration risk of borrowers, the Group's actual loss experience, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the financial assets at amortised cost. Details of the key assumption and inputs used in estimating ECL are set out in note 36 to the consolidated financial statements.

5. REVENUE

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
Advisory, commission income and other fee income	(b)	**1,091**	3,377
Net (loss) gain on sales of financial assets at FVPL	(a)	**(15,249)**	419
Interest income from:			
– margin clients		**9,277**	22,315
– loan receivables		**28,924**	14,614
– debt investment at amortised cost		**2,741**	5,888
		40,942	42,817
Dividend income from:			
– financial assets at FVPL		**3,540**	7,210
– Designated FVOCI		**5,728**	6,401
		9,268	13,611
		36,052	60,224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

5. REVENUE (Continued)

Notes:

(a) The amount represented the proceeds from the sale of financial assets at FVPL of approximately HK$22,625,000 (2023: approximately HK$5,152,000) less relevant costs and carrying value of the investments sold of approximately HK$37,874,000 (2023: approximately HK$4,733,000).

(b) In addition to the information shown in segment disclosures, the revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	Financial services *(as defined in note 7)*	
	2024	2023
	HK$'000	*HK$'000*
Timing of revenue recognition:		
Fee and commission income		
– at a point in time	**1,079**	1,416
Advisory and other fee income		
– over time	**12**	1,961
Total revenue from contracts with customers within HKFRS 15	**1,091**	3,377

6. OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Interest income on:		
– bank deposits	**6,128**	4,775
– financial assets arising from a financing arrangement	**–**	5,500
– others	**4**	16
	6,132	10,291
Property licence fee income	**–**	1,600
Handling fee income	**241**	1,013
Scrip fee income	**332**	444
Others	**617**	9,522
	7,322	22,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

The Group's reportable and operating segments are as follows:

Financial services	Provision of securities brokerage, margin financing, placing and underwriting, investment advisory, asset management and corporate finance advisory services
Tactical and/or strategical investments	Investment in financial instruments
Credit and lending services	Provision of credit and lending services

Segment revenue and results

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

For the year ended 31 December 2024

	Financial services HK$'000	Tactical and/ or strategical investments HK$'000	Credit and lending services HK$'000	Consolidated HK$'000
Revenue				
Advisory, commission income and other fee income	1,091	–	–	1,091
Net loss on sales of financial assets at FVPL	–	(15,249)	–	(15,249)
Interest income	9,277	2,741	28,924	40,942
Dividend income	126	9,142	–	9,268
Total revenue	10,494	(3,366)	28,924	36,052
Net unrealised fair value loss on financial assets at FVPL	–	(42,981)	–	(42,981)
Segment revenue	10,494	(46,347)	28,924	(6,929)
Segment profit (loss)	285	(60,803)	(22,602)	(83,120)
Unallocated other income				5,995
Unallocated other net gains				6,319
Share of results of associates				(60,605)
Share of results of a joint venture				(18,271)
Unallocated finance costs				(3,725)
Central corporate expenses				(41,268)
Loss before taxation				(194,675)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2023

	Financial services *HK$'000*	Tactical and/ or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Consolidated *HK$'000*
Revenue				
Advisory, commission income and other fee income	3,377	–	–	3,377
Net gain on sales of financial assets at FVPL	–	419	–	419
Interest income	22,315	5,888	14,614	42,817
Dividend income	–	13,611	–	13,611
Total revenue	25,692	19,918	14,614	60,224
Net unrealised fair value loss on financial assets at FVPL	–	(46,427)	–	(46,427)
Segment revenue	25,692	(26,509)	14,614	13,797
Segment profit (loss)	7,520	(50,827)	26,204	(17,103)
Unallocated other income				20,008
Unallocated other net losses				(11,099)
Share of results of associates				(37,899)
Share of results of a joint venture				14,651
Unallocated finance costs				(3,366)
Central corporate expenses				(48,091)
Loss before taxation				(82,899)

Segment revenue includes revenue from financial services, tactical and/or strategical investments and credit and lending services. In addition, the chief operating decision makers also consider net unrealised fair value loss on financial assets at FVPL as segment revenue.

The accounting policies of the segment reporting are set out as the Group's accounting policies in note 2. Segment result represents the loss incurred or profit earned by each segment without allocation of certain other income, certain other net gains (losses), share of results of associates and a joint venture, certain finance costs and the central corporate expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

At 31 December 2024

	Financial services *HK$'000*	Tactical and/ or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Consolidated *HK$'000*
Segment assets	249,868	1,693,765	628,190	2,571,823
Property and equipment				13,739
Investment property				80,390
Unallocated intangible assets				8,958
Right-of-use assets				10,158
Interests in associates				212,278
Interests in a joint venture				144,984
Unallocated other receivables				22,721
Income tax recoverable				990
Unallocated cash and cash equivalents				151,743
Consolidated assets				3,217,784
Segment liabilities	32,483	79,800	–	112,283
Unallocated other payables				8,689
Lease liabilities				10,524
Interest-bearing borrowings				49,271
Income tax payable				862
Consolidated liabilities				181,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2023

	Financial services *HK$'000*	Tactical and/ or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Consolidated *HK$'000*
Segment assets	342,175	2,231,598	273,908	2,847,681
Unallocated property and equipment				129,677
Investment property				86,530
Unallocated intangible assets				9,706
Right-of-use assets				11,856
Interests in associates				327,009
Interests in a joint venture				164,504
Unallocated other receivables				28,772
Income tax recoverable				2,041
Unallocated cash and cash equivalents				280,614
Consolidated assets				3,888,390
Segment liabilities	64,091	6,301	15,101	85,493
Unallocated other payables				7,608
Lease liabilities				11,993
Interest-bearing borrowings				51,235
Income tax payable				1,016
Consolidated liabilities				157,345

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments other than certain property and equipment, investment property, certain intangible assets, right-of-use assets, interests in associates, interests in a joint venture, certain other receivables, income tax recoverable and certain cash and cash equivalents.

- all liabilities are allocated to operating and reportable segments other than certain other payables, lease liabilities, interest-bearing borrowings and income tax payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2024

	Financial services *HK$'000*	Tactical and/ or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Interest income included in revenue and other income	(9,687)	(2,693)	(28,935)	(5,759)	(47,074)
Interest expenses	–	2,246	–	3,725	5,971
Fair value loss on investment property	–	–	–	6,140	6,140
Bad debts written off	16	–	–	–	16
Gain on disposal of property and equipment	–	–	–	(16,391)	(16,391)
Provision for impairment loss on intangible assets	–	–	–	248	248
Provision for impairment loss in respect of loan receivables, net	–	–	29,630	–	29,630
Business development expenses	3	523	–	6,476	7,002
Marketing expenses	–	8,485	–	332	8,817
Depreciation of property and equipment	–	–	–	9,771	9,771
Depreciation of right-of-use assets	–	–	–	6,676	6,676
Amortisation of intangible assets	–	–	–	500	500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

7. SEGMENT INFORMATION (Continued)

Other segment information (Continued)

For the year ended 31 December 2023

	Financial services *HK$'000*	Tactical and/ or strategical investments *HK$'000*	Credit and lending services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:					
Interest income included in revenue and other income	(22,735)	(5,887)	(14,615)	(9,871)	(53,108)
Interest expenses	3	9,105	1,250	3,366	13,724
Fair value loss on investment property	–	–	–	16,220	16,220
Bad debts written off	330	–	–	–	330
Gain on disposal of financial assets arising from a financing arrangement	–	–	–	(4,562)	(4,562)
Gain on deregistration of subsidiaries	–	–	–	(1,520)	(1,520)
Gain on disposal of an associate	–	–	–	(638)	(638)
Gain on deemed disposal of an associate	–	–	–	(125)	(125)
Reversal of impairment loss in respect of loan receivables, net	–	–	(23,528)	–	(23,528)
Business development expenses	1	739	–	427	1,167
Marketing expenses	–	10,570	–	–	10,570
Depreciation of property and equipment	–	–	1,311	20,764	22,075
Depreciation of right-of-use assets	–	–	–	6,800	6,800
Amortisation of intangible assets	–	–	–	500	500
Share-based payment expenses	–	–	–	20,187	20,187

Geographical information

The Group's operations are located in Hong Kong. Accordingly, the Group's revenue from external customers and all non-current assets (excluding financial assets) are located in Hong Kong.

Information about major customers

Revenue from the customers individually accounted for 10% or more of the Group's revenue, excluding net loss/gain on sales of financial assets at FVPL, for the years ended 31 December 2024 and 2023 is as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Customer A*	**–**	6,094

* Attributable to financial services segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

8. OTHER NET GAINS (LOSSES)

	Notes	2024 HK$'000	2023 HK$'000
Bad debts written off		(16)	(330)
Fair value loss on investment property	16	(6,140)	(16,220)
Gain on disposal of an associate		–	638
Gain on deemed disposal of an associate		–	125
Gain on deregistration of subsidiaries		–	1,520
Gain on disposal of financial assets arising from a financing arrangement		–	4,562
Gain on disposal of property and equipment	15(a)	16,391	–
Loss on redemption of financial assets at FVPL		–	(52)
Net exchange loss		(3,741)	(3,473)
Provision for impairment loss on intangible assets	22	(248)	–
		6,246	(13,230)

9. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Bank interest expense	–	3
Interest on bank loan	2,926	2,963
Interest on other loans	–	7,362
Interest on margin financing	2,246	2,993
Imputed interest on lease liabilities	799	403
	5,971	13,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

10. LOSS BEFORE TAXATION

This is stated after charging:

	Notes	2024 HK$'000	2023 HK$'000
Employee benefits expenses (including directors' emoluments)			
Salaries and other benefits		**12,911**	14,356
Retirement benefit scheme contributions	39	**369**	419
Share-based payment expenses	32	**–**	2,125
		13,280	16,900
Net unrealised fair value loss on financial assets at FVPL		**42,981**	46,427
Depreciation and amortisation expenses			
Depreciation on property and equipment	15	**9,771**	22,075
Depreciation on right-of-use assets	17	**6,676**	6,800
Amortisation on intangible assets	22	**500**	500
		16,947	29,375
Other expenses			
Auditor's remuneration			
– Audit fee		**1,980**	2,320
– Non-audit fee		**338**	338
Business development expenses		**7,002**	1,167
Business registration fee, statutory fees and listing fees		**1,309**	1,315
Financial information charge		**1,729**	1,744
Handling and settlement expenses		**978**	965
Investment transaction cost		**658**	498
Legal and professional fees		**4,807**	4,192
Expenses on sales of property and equipment	15(a)	**9,238**	–
Marketing expenses		**8,817**	10,570
Other operating expenses		**7,435**	5,446
Other tax expenses		**12,319**	–
Share-based payment expenses to service providers	32	**–**	18,062
		56,610	46,617

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

11. INCOME TAX EXPENSE

The profits tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the years ended 31 December 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	2024	2023
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax		
– Current year	**544**	1,902
– Over provision in prior years	**(539)**	(315)
Income tax expense	**5**	1,587

Reconciliation of income tax expense

	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**(194,675)**	(82,899)
Income tax at applicable tax rate 16.5% (2023: 16.5%)	**(32,121)**	(13,678)
Effect of two-tiered profits tax rates regime	**(2)**	(165)
Tax effect of expenses not deductible for tax purpose	**33,503**	17,662
Tax effect of income not taxable for tax purpose	**(4,404)**	(12,963)
Tax effect of tax losses not recognised	**3,906**	6,898
Utilisation of tax losses previously not recognised	**(386)**	(252)
Unrecognised temporary differences	**(494)**	3,859
Over provision in prior years	**(539)**	(315)
Others	**542**	541
Income tax expense for the year	**5**	1,587

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

12. EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AND EMPLOYEES' REMUNERATION

(i) Executive and non-executive directors' remuneration:

The emoluments paid or payable to each of the 7 (2023: 8) directors were as follows:

	Year ended 31 December 2024							
	Executive Directors			Independent Non-Executive Directors				
	Mr. Wong Yat Fai *HK$'000*	Ms. Wong Wan Men *HK$'000*	Mr. Sam Hing Cheong *HK$'000* (note c)	Mr. Hung Cho Sing *HK$'000*	Hon. Chan Hak Kan *HK$'000*	Mr. Lam John Cheung-wah *HK$'000*	Mr. Yu Chung Leung *HK$'000*	Total *HK$'000*
Fees (Note a)	–	–	–	250	250	250	250	1,000
Other emoluments								
– salaries and other benefits (Note b)	600	1,200	600	–	–	–	–	2,400
– contributions to retirement benefit schemes	18	18	18	–	–	–	–	54
Total emoluments	618	1,218	618	250	250	250	250	3,454

	Year ended 31 December 2023								
	Executive Directors			Independent Non-Executive Directors					
	Mr. Wong Yat Fai *HK$'000*	Ms. Wong Wan Men *HK$'000*	Mr. Sam Hing Cheong *HK$'000* (note c)	Mr. Hung Cho Sing *HK$'000*	Hon. Chan Hak Kan *HK$'000*	Dr. Lo Wing Yan, William *HK$'000* (note c)	Mr. Lam John Cheung-wah *HK$'000*	Mr. Yu Chung Leung *HK$'000*	Total *HK$'000*
Fees (Note a)	–	–	–	250	250	240	250	250	1,240
Other emoluments									
– salaries and other benefits (Note b)	600	1,200	390	–	–	–	–	–	2,190
– contributions to retirement benefit schemes	18	18	18	–	–	–	–	–	54
– share-based compensation benefits	–	2,125	–	–	–	–	–	–	2,125
Total emoluments	618	3,343	408	250	250	240	250	250	5,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

12. EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AND EMPLOYEES' REMUNERATION (CONTINUED)

(i) Executive and non-executive directors' remuneration: (Continued)

Notes:

a. The directors' fee of non-executive directors/independent non-executive directors are determined by the Board of Directors pursuant to the authority given by the shareholders at the Company's general meeting and with recommendation from the remuneration committee of the Company with reference to their duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

b. The emoluments of the directors are covered by their respective service contracts and/or supplemental agreements or letters of appointment entered into with the Group.

c. Mr. Sam Hing Cheong was re-designated from non-executive director to executive director and Chairman of the Company on 1 July 2023. Dr. Lo Wing Yan, William resigned as an independent non-executive director on 1 July 2023.

There was no arrangement under which an executive or non-executive director waived or agreed to waive any remuneration during both years. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the years ended 31 December 2024 and 2023.

(ii) Employees' remuneration:

The five highest paid individuals of the Group included 2 (2023: 1) director of the Company. Details of their emoluments are included in note 12 (i) above.

The emoluments of the remaining 3 (2023: 4) highest paid individuals for the year are set out as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Salaries and other emoluments	**2,394**	3,438
Contribution to retirement benefits schemes	**54**	72
	2,448	3,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

12. EXECUTIVE AND NON-EXECUTIVE DIRECTORS' AND EMPLOYEES' REMUNERATION (Continued)

(ii) Employees' remuneration: (Continued)

The emoluments of the individuals are within the following bands:

	2024 **Number of employees**	2023 *Number of employees*
Below HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	2

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

The directors of the Company do not recommend the payment of any dividends for the year ended 31 December 2024 (2023: Nil).

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on loss attributable to the equity holders of the Company and the weighted average number ordinary shares in issue during the year as follows:

Loss

	2024 ***HK$'000***	2023 *HK$'000*
Loss for the year attributable to equity shareholders of the Company, for the purpose of basic and diluted loss per share	**(194,506)**	(84,486)

Number of shares

	2024	2023
Weighted average number of ordinary shares, for the purpose of basic and diluted loss per share	**6,179,423,237**	6,109,259,139
	HK cents	*HK cents*
Basic loss per share	**(3.15)**	(1.38)
Diluted loss per share	**(3.15)**	(1.38)

Note:

The computation of diluted loss per share for the year ended 31 December 2024 did not assume the exercise of certain share option since their assumed exercise for the year would have an anti-dilutive effect on the basic loss per share amount presented.

The computation of diluted loss per share for the year ended 31 December 2023 did not assume the exercise of certain share option and the issue of certain shares under the share award scheme since their assumed exercise and issue for the year would have an anti-dilutive effect on the basic loss per share amount presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

15. PROPERTY AND EQUIPMENT

	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles and yacht	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
COST				
At 1 January 2023	8,114	41,865	233,322	283,301
Additions	5,556	289	–	5,845
At 31 December 2023	13,670	42,154	233,322	289,146
Additions	55	26	–	81
Disposals (Note a)	–	–	(201,310)	(201,310)
At 31 December 2024	**13,725**	**42,180**	**32,012**	**87,917**
ACCUMULATED DEPRECIATION				
At 1 January 2023	730	41,495	94,841	137,066
Provided for the year	–	206	21,869	22,075
At 31 December 2023	730	41,701	116,710	159,141
Provided for the year	–	166	9,605	9,771
Eliminated on disposals (Note a)	–	–	(94,734)	(94,734)
At 31 December 2024	**730**	**41,867**	**31,581**	**74,178**
CARRYING VALUES				
At 31 December 2024	**12,995**	**313**	**431**	**13,739**
At 31 December 2023	12,940	453	116,612	130,005

Note:

(a) On 8 May 2024, the Group entered into a memorandum of agreement with an independent third party to dispose of a yacht and other equipment at a consideration of EUR14,600,000 (equivalent to HK$122,967,000) which was settled in cash. The transaction was completed on 14 June 2024. A gain of approximately HK$16,391,000 and the expenses of approximately HK$9,238,000 arising from the disposal were recognised in the profit or loss and included in “Other net gains (losses)” as set out in note 8 and “Other expenses” as set out in note 10 to the consolidated financial statements respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

16. INVESTMENT PROPERTY

	2024	2023
	HK$'000	*HK$'000*
At fair value		
At the beginning of the reporting period	**86,530**	102,750
Change in fair value recognised in profit or loss	**(6,140)**	(16,220)
At the end of the reporting period	**80,390**	86,530

Leasing arrangement – as licensee

At the end of the reporting period, the investment property of HK$80,390,000 located in Hong Kong is held with the remaining lease term of 102 (2023: 103) years.

The property interests in investment properties thereon (including the whole or part of undivided share in the underlying land) in Hong Kong is held by the Group as the registered owner. Those property interests were acquired from the previous registered owners by making lump sum payments at the upfront. Except for the variable amounts to be charged by the government subsequently that are reviewed regularly with reference to the rateable values, for example, there are no ongoing payments to be made under the terms of the land lease.

The fair value of the investment property is determined by the valuation performed by an independent professional valuer by adopting the direct comparison method based on price information of comparable properties and adjusted to reflect the locations of the subject property. Details of the fair value measurements are set out in note 37 to the consolidated financial statements.

The investment property was pledged to the bank to secure the bank loan as at 31 December 2024. Details are set out in note 29 to the consolidated financial statements.

Leasing arrangement – as licensor

The Group's investment property interests held under leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property.

During the year ended 31 December 2023, the Group granted a licence to the licensee to use the investment property for residential use for a licence period of 3 months with renewal in every 3 months. The licence did not include purchase or termination options. The licence income from investment property are set out in note 6 to the consolidated financial statements. Upon the expiry of the licence agreement in August 2023, no further licence agreement was signed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

17. RIGHT-OF-USE ASSETS

	Buildings *HK$'000*
Reconciliation of carrying amount – year ended 31 December 2023	
At beginning of the reporting period	7,303
Additions	9,264
Reassessment of lease liabilities	2,089
Depreciation	(6,800)
At the end of the reporting period	11,856
Reconciliation of carrying amount – year ended 31 December 2024	
At beginning of the reporting period	**11,856**
Reassessment of lease liabilities	**4,978**
Depreciation	**(6,676)**
At the end of the reporting period	**10,158**
At 31 December 2023	
Cost	15,673
Accumulated depreciation	(3,817)
Net carrying amount	11,856
At 31 December 2024	
Cost	**20,651**
Accumulated depreciation	**(10,493)**
Net carrying amount	**10,158**

The Group leases various premises for its daily operations. Lease terms are 2 years with renewal option.

Commitments under leases

The Group had no commitment for any short-term leases for both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

18. DESIGNATED FVOCI

	Notes	2024 HK$'000	2023 HK$'000
Equity securities – listed			
Listed in Hong Kong		**859,342**	1,220,886
Listed in the United States		**68,048**	30,144
	(a)	**927,390**	1,251,030
Equity securities – unlisted	(a)	**468,776**	645,727
Deferred day-one losses	(e)	**75,220**	75,220
		543,996	720,947
		1,471,386	1,971,977

Notes:

(a) At the date of initial recognition, the Group irrevocably designated certain investments in equity securities as Designated FVOCI because these equity securities represent investments that the Group intends to hold for long-term strategic purposes.

The fair value of each investment classified as Designated FVOCI is as follows.

	Notes	2024 HK$'000	2023 HK$'000
Equity securities – Listed			
Shengjing Bank Co., Ltd.		**348,000**	226,200
ZhongAn Online P&C Insurance Co., Ltd.		**194,092**	258,305
Get Nice Financial Group Limited		**85,918**	59,857
Imagi International Holdings Ltd.		**80,997**	178,670
Hao Tian International Construction Investment Group Ltd		**31,415**	256,705
Others		**186,968**	271,293
		927,390	1,251,030
Equity securities – unlisted			
Co-Lead Holdings Limited ("**Co-Lead**")	(c)	**22,454**	72,691
Future Capital Group Limited ("**Future Capital**")	(b)	**398,000**	509,000
Green River Associates Limited ("**Green River**")	(d)	**48,322**	64,036
		468,776	645,727
		1,396,166	1,896,757

18. DESIGNATED FVOCI (Continued)

Notes: (Continued)

(a) (Continued)

During the year ended 31 December 2024, the net unrealised fair value loss on Designated FVOCI of approximately HK$449,420,000 (2023: approximately HK$1,465,461,000) was recognised in other comprehensive income.

Details of the fair value measurements of listed and unlisted investments are set out in note 37 to the consolidated financial statements.

During the year ended 31 December 2024, Designated FVOCI with fair value of approximately HK$151,293,000 (2023: HK$69,783,000) was disposed which is in line with the Group's inherent investment strategy. The cumulative loss of approximately HK$73,838,000 (2023: approximately HK$84,935,000) that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2024.

(b) At the end of the reporting period, the Group holds 17.81% (2023: 17.81%) equity interest of Future Capital. Future Capital and its subsidiaries principally engage in property investments. During the year, the fair value loss on investment in Future Capital of approximately HK$111,000,000 (2023: approximately HK$140,000,000) was recognised in other comprehensive income.

(c) At the end of the reporting period, the Group holds 7.88% (2023: 7.88%) equity interest of Co-Lead. Co-Lead and its subsidiaries principally engage in securities trading and investments holding business in Hong Kong. During the year, the fair value loss on investment in Co-Lead of approximately HK$50,237,000 (2023: approximately HK$9,877,000) was recognised in other comprehensive income.

(d) At the end of the reporting period, the Group holds 14.90% (2023: 14.90%) equity interest of Green River. Green River principally engages in securities trading and investments holding business in Hong Kong. During the year, the fair value loss on investment in Green River of approximately HK$15,714,000 (2023: fair value gain of approximately HK$2,281,000) was recognised in other comprehensive income.

(e) The day-one losses arising from acquisition of unlisted equity investments represents the difference between the consideration and the fair value at the initial recognition, which was determined based on valuation carried out by independent professional valuer. As the fair value determination of unlisted equity securities is not evidenced by a quoted price in an active market or based on a valuation technique that uses only data from observable markets, the day-one losses should be deferred and will be recognised to profit or loss until (i) the fair value is evidenced by a quoted price in active market, (ii) the valuation can be determined using market observable inputs or (iii) realised through settlement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

19. DEBT INVESTMENT AT AMORTISED COST

	2024	2023
	HK$'000	*HK$'000*
Senior notes	**30,000**	30,000

As at 31 December 2024, the Group held senior notes issued by a company listed in Hong Kong which bear interest at 9.5% (2023: 9.5%) per annum payable semi-annually and will be due on 30 June 2025 (2023: 30 June 2025).

20. INTERESTS IN ASSOCIATES

	2024	2023
	HK$'000	*HK$'000*
Unlisted shares		
Shares of net assets	**212,278**	327,009

Details of the associates at the end of the reporting period are as follows:

Name of entities	**Place of incorporation/ operation**	**Class of shares held**	**Proportion of value of issued share capital directly held by the Group**		**Principal activities**
			2024	2023	
			%	%	
Hope Capital Limited ("**Hope Capital**") (Note a)	BVI	Ordinary	**33.80**	22.39	Engaged in securities investment and financial services business through its subsidiaries
HEC Securities Company Limited ("**HEC Securities**")	BVI	Ordinary	**25**	25	Engaged in securities investment and financial services business through its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

20. INTERESTS IN ASSOCIATES (Continued)

Notes:

(a) In August 2024, certain independent third party investors of Hope Capital redeemed 724 shares at a consideration in sum of HK$310,596,000 and the Group's equity interests in Hope Capital has been increased from 22.39% to 33.80% accordingly.

Relationship with associates

Both associates and their group companies are engaged in securities investment and financial services business which allows the Group to penetrate financial services market through the extensive network of the associates.

Contingent liabilities

At the end of the reporting period, there are no contingent liabilities in relation to its interests in associates.

Fair value of investments

At the end of the reporting period, the Group's associates are private companies and there was no quoted market price available for the investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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20. INTERESTS IN ASSOCIATES (Continued)

Financial information of associates

Summarised financial information of each of the associates of the Group is set out below, which represents amounts shown in the associates' financial statements prepared in accordance with HKFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2024	**Hope Capital** *HK$'000*	**HEC Securities** *HK$'000*
Gross amount		
Non-current assets	245,500	–
Current assets	221,612	251,291
Current liabilities	(1,940)	(30,595)
Equity	465,172	220,696
Reconciliation		
Gross amount of equity	465,172	220,696
Group's ownership interests	33.8%	25%
Group's share of equity	157,184	55,094

Year ended 31 December 2024	**Hope Capital** *HK$'000*	**HEC Securities** *HK$'000*
Gross amount		
Revenue	1,187	5,073
Loss from continuing operations	(219,778)	(9,462)
Other comprehensive expense	(110,476)	(87,394)
Total comprehensive expense	(330,254)	(96,856)
Group's ownership interests	*(Note 20(a))* 22.39% – 33.80%	25%
Group's share of:		
Loss from operations for the year	(58,159)	(2,446)
Other comprehensive expense for the year	(32,277)	(21,849)
Total comprehensive expense for the year	(90,436)	(24,295)
Dividend received from the associates	–	–

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20. INTERESTS IN ASSOCIATES (Continued)

Financial information of associates (Continued)

At 31 December 2023	Hope Capital *HK$'000*	HEC Securities *HK$'000*
Gross amount		
Non-current assets	239,238	417
Current assets	887,189	399,039
Current liabilities	(404)	(81,903)
Non-current liabilities	(20,000)	–
Equity	1,106,023	317,553
Reconciliation		
Gross amount of equity	1,106,023	317,553
Group's ownership interests	22.39%	25%
Group's share of equity	247,621	79,388

Period/Year ended 31 December 2023	Eternal Billion Holding Group Limited *HK$'000* (From 1 January 2023 to 14 March 2023 (date of disposal))	Hope Capital *HK$'000*	HEC Securities *HK$'000*
Gross amount			
Revenue	–	1,292	2,053
Loss from continuing operations	(1,500)	(173,827)	(4,885)
Other comprehensive expense	–	(70,367)	–
Total comprehensive expense	(1,500)	(244,194)	(4,885)
Group's ownership interests	25%	22.39% – 23.19%	25%
Group's share of:			
Loss from operations for the period/year	–	(36,678)	(1,221)
Other comprehensive expense for the period/year	–	(15,756)	–
Total comprehensive expense for the period/year	–	(52,434)	(1,221)
Dividend received from the associates	–	2,243	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

21. INTERESTS IN A JOINT VENTURE

	2024	2023
	HK$'000	*HK$'000*
Unlisted shares		
Shares of net assets	**144,984**	164,504

Details of the joint venture at the end of the reporting period are as follows:

Name of entities	Place of incorporation/ operation	Class of shares held	Proportion of value of issued share capital directly held by the Group		Principal activities
			2024	2023	
			%	%	
Golden Thread Investments Limited ("**Golden Thread**")	Republic of the Marshall Islands	Ordinary	35 (Note a)	35 (Note a)	Engaged in a single purpose project for property assets-based financing business

Note:

(a) A supplemental agreement was signed by all joint venture partners in 2022, pursuant to which the share of profit would be based on the latest capital contribution ratio instead of issued share proportion. As at 31 December 2024 and 2023, the latest capital contribution ratio of the Group is 30%, thus, the relevant proportion of ownership interest held by the Group is 30%. No movement for the Group's shareholding during the year.

Relationship with a joint venture

Golden Thread engaged in a single purpose project for property assets-based financing business, allows the Group to penetrate this market through the extensive network of the joint venture.

Contingent liabilities

There are no capital commitment and contingent liabilities in relation to its interests in a joint venture.

Fair value of investments

At the end of the reporting period, the Group's joint venture is private company and there was no quoted market price available for the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

21. INTERESTS IN A JOINT VENTURE (Continued)

Financial information of a joint venture

Summarised financial information of a joint venture of the Group is set out below, which represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2024	**Golden Thread** *HK$'000*
Gross amount	
Non-current assets	3,684
Current assets	492,402
Current liabilities	(14,399)
Equity	481,687
Reconciliation	
Gross amount of equity	481,687
	(Note 21(a))
Group's ownership interests	30%
Group's share of equity	144,984

Year ended 31 December 2024	**Golden Thread** *HK$'000*
Gross amount	
Revenue	68
Loss from continuing operations	(60,903)
Other comprehensive expense	(4,164)
Total comprehensive expense	(65,067)
	(Note 21(a))
Group's ownership interests	30%
Group's share of:	
Loss from operations for the year	(18,271)
Other comprehensive expense for the year	(1,249)
Total comprehensive expense for the year	(19,520)
Dividend received from the joint venture	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

21. INTERESTS IN A JOINT VENTURE (Continued)

Financial information of a joint venture (Continued)

At 31 December 2023	Golden Thread *HK$'000*
Gross amount	
Non-current assets	12,027
Current assets	540,181
Current liabilities	(1,275)
Equity	550,933
Reconciliation	
Gross amount of equity	550,933
	(Note 21(a))
Group's ownership interests	30%
Group's share of equity	164,504

Year ended 31 December 2023	Golden Thread *HK$'000*
Gross amount	
Revenue	48,872
Profit from continuing operations	48,837
Other comprehensive income	–
Total comprehensive income	48,837
	(Note 21(a))
Group's ownership interests	30%
Group's share of:	
Profit from operations for the year	14,651
Other comprehensive income for the year	–
Total comprehensive income for the year	14,651
Dividend received from the joint venture	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

22. INTANGIBLE ASSETS

	Trading rights HK$'000 (Note a)	Membership debenture HK$'000 (Note b)	Club membership HK$'000 (Note c)	Total HK$'000
Reconciliation of carrying amount – year ended 31 December 2023				
At the beginning of the reporting period	5,408	6,248	3,958	15,614
Amortisation	–	–	(500)	(500)
At the end of the reporting period	5,408	6,248	3,458	15,114
Reconciliation of carrying amount – year ended 31 December 2024				
At the beginning of the reporting period	5,408	6,248	3,458	15,114
Amortisation	–	–	(500)	(500)
Impairment loss	–	(248)	–	(248)
At the end of the reporting period	5,408	6,000	2,958	14,366
At 31 December 2023				
Cost	5,408	6,248	5,000	16,656
Accumulated amortisation and impairment losses	–	–	(1,542)	(1,542)
	5,408	6,248	3,458	15,114
At 31 December 2024				
Cost	5,408	6,248	5,000	16,656
Accumulated amortisation and impairment losses	–	(248)	(2,042)	(2,290)
	5,408	6,000	2,958	14,366

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

22. INTANGIBLE ASSETS (Continued)

Notes:

(a) Trading rights that confer eligibility on the Group to trade on the Stock Exchange and the Futures Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, the trading rights are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until its useful life is determined to be finite.

No impairment losses on trading rights have been recognised for both years.

(b) The membership debenture has no foreseeable limit to the period over which the Group can use to generate cash flows. As a result, membership debenture is considered by the management of the Group as having indefinite useful life. The membership debenture will not be amortised until its useful life is determined to be finite.

For the purpose of impairment testing on membership debenture, the recoverable amount has been determined based on the second-hand market price less cost of disposal. An impairment loss of HK$248,000 (2023: Nil) was recognised for the year ended 31 December 2024 with reference to the recoverable amount of the membership debenture.

(c) Club membership has a validity of 10 years and the Group has determined that this asset has a useful life of 10 years. It is tested for impairment where an indicator of impairment appears.

23. OTHER DEPOSITS

	2024	2023
	HK$'000	*HK$'000*
Statutory and other deposits with exchanges and clearing houses	**418**	425

The deposits are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

24. TRADE, LOAN AND OTHER RECEIVABLES

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Trade receivables			
Trade receivables arising from the business of securities brokerage			
– cash clients		**102**	114
– margin clients	(b)	**122,033**	164,937
– HKSCC	27(b)	**29**	–
– others		**2**	–
	(a)	**122,166**	165,051
Loan receivables			
Loan and interest receivables from independent third parties		**667,039**	283,634
Less: Loss allowance	36	**(40,752)**	(11,122)
	(c)	**626,287**	272,512
Less: Non-current portion		**(3,403)**	(6,521)
Current portion		**622,884**	265,991
Other receivables			
Deposits with securities brokers	(d)	**–**	1,878
Other receivables, deposits and prepayments		**25,879**	31,708
		25,879	33,586
	(e)	**770,929**	464,628

Information about the Group's exposure to credit risks and loss allowance for trade, loan and other receivables is included in note 36 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

24. TRADE, LOAN AND OTHER RECEIVABLES (Continued)

Notes:

(a) No aging analysis by invoice date is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of brokerage business. The Group offsets certain trade receivables and trade payables when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously. Details are set out in note 38 to the consolidated financial statements.

(b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 8% to 30% (2023: 8% to 30%) per annum for the year ended 31 December 2024. The loans are secured by pledged marketable securities with a total fair value of approximately HK$785,937,000 (2023: approximately HK$461,096,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group.

Included in trade receivables from margin clients arising from the business of securities brokerage as at 31 December 2024, HK$1,345,559 (2023: Nil) was due from the joint venture of the Group. During the years ended 31 December 2024 and 2023, no margin loans were granted to the directors of the Company or directors of subsidiaries.

(c) As at 31 December 2024, the Group's net loan receivables included both fixed and variable rate loan advances to independent third parties of approximately HK$7,330,000 (2023: approximately HK$14,751,000) which were secured by the pledge of certain collaterals and personal guarantees, bearing interest ranging from HKD Prime Rate plus 2.75% to 9% (2023: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (2023: between 12 months and 18 months) under the Group's credit and lending services. The remaining balance included fixed rate loan advances to independent third parties of approximately HK$618,957,000 (2023: HK$257,761,000) which were unsecured, bearing interest ranging from 3% to 8% (2023: 5% to 8%) per annum. The contractual loan period for majority of the unsecured loan receivables from third parties is between 9 months and 5 years (2023: between 3 months and 5 years).

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background check (such as their background, and financial position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. During the year ended 31 December 2024, net provision of impairment loss of approximately HK$29,630,000 (2023: net reversal of impairment loss of approximately HK$23,528,000) was recognised for the loan receivables. Details are set out in note 36 to the consolidated financial statements.

(d) Deposits with securities brokers represented the funds deposited with the brokers' houses for securities trading purpose.

(e) The trade, loan and other receivables are expected to be recovered within one year, except for the deposits of approximately HK$10,168,000 (2023: approximately HK$10,168,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

25. FINANCIAL ASSETS AT FVPL

	Note	**2024** *HK$'000*	2023 *HK$'000*
Mandatorily measured at FVPL			
– Listed shares in Hong Kong		**95,152**	152,849
– Listed shares in the United States		**–**	7,098
– Unlisted investment funds	(a)	**54,671**	64,857
		149,823	224,804

Note:

(a) The unlisted investment funds are mainly subscribed from independent financial institutions in overseas. The portfolios of these funds mainly comprise securities listed in overseas and unlisted debt and equity securities in Asia-Pacific region. The funds are redeemable at the discretion of the Group from time to time and the intention of holding them was for short-term investment.

26. BANK BALANCES – TRUST AND SEGREGATED ACCOUNTS/SHORT-TERM BANK DEPOSITS/CASH AND CASH EQUIVALENTS

Bank balances – trust and segregated accounts

The Group receives and holds money deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. These clients' monies are maintained in one or more segregated bank accounts. The Group has recognised the corresponding accounts payable to respective clients and other institutions (Note 27). However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Short-term bank deposits

Short-term bank deposits are bank deposits with original maturities over three months, under twelve months and redeemable on maturity. The effective interest rate of the short-term bank deposits of the Group was 4.91% per annum for the year ended 31 December 2023.

Cash and cash equivalents

The amounts comprise cash at bank and short-term bank deposits at market interest rates with an original maturity of three months or less.

Bank balances carry interest at prevailing market rate ranging from 0.001% to 0.875% (2023: 0.001% to 0.875%) per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

27. TRADE AND OTHER PAYABLES

	Notes	2024 HK$'000	2023 HK$'000
Trade payables			
Trade payables arising from the business of securities brokerage			
– cash clients	(a)	**2,530**	818
– margin clients	(a)	**29,327**	54,118
– HKSCC	(b)	**–**	4,613
	24(a)	**31,857**	59,549
Trade payables arising from the business of futures brokerage	(c)	**627**	–
Secured margin loans from securities brokers	(d)	**79,800**	10,065
		112,284	69,614
Other payables			
Other payables and accrued charges		**8,688**	23,487
		120,972	93,101

Notes:

(a) Trade payables to cash and margin clients are repayable on demand. In the opinion of the directors of the Company, no aging analysis is disclosed as the aging analysis does not give additional value.

(b) The settlement terms of trade receivables and payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date. No aged analysis is disclosed as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of brokerage business.

(c) Trade payables to clients arising from the business of futures brokerage are margin deposits received from clients for their trading of futures contracts on the Futures Exchange. The excesses of the outstanding amounts over the required initial margin deposits for the trading of futures contracts stipulated by the Futures Exchange are repayable to clients on demand.

(d) For secured margin loans from securities brokers, the loans are repayable on demand (except certain balances arising from trades pending settlement or margin deposits) and are interest-bearing at a fixed rate of 7.2% per annum (2023: HIBOR 1 month rate plus 3.8% per annum). The total market value of equity securities classified as financial assets at FVPL and Designated FVOCI pledged as collateral in respect of the loans was approximately HK$113,625,000 (2023: approximately HK$129,266,000) as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

28. LEASE LIABILITIES

As at 31 December 2024, the weighted average discount rate applied was 6.46% (2023: 6.55%) per annum. The interest expenses on lease liabilities are set out in note 9 to the consolidated financial statements.

Commitments and present value of lease liabilities:

	Minimum lease payments 2024 *HK$'000*	**Present value of minimum lease payments 2024** *HK$'000*
Amounts payable:		
Within one year	**7,247**	**6,778**
In the second to fifth years inclusive	**3,624**	**3,746**
	10,871	**10,524**
Less: future finance charges	**(347)**	**–**
Total lease liabilities	**10,524**	**10,524**

	Minimum lease payments 2023 *HK$'000*	Present value of minimum lease payments 2023 *HK$'000*
Amounts payable:		
Within one year	7,247	6,670
In the second to fifth years inclusive	5,469	5,323
	12,716	11,993
Less: future finance charges	(723)	–
Total lease liabilities	11,993	11,993

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

29. INTEREST-BEARING BORROWINGS

	2024	2023
	HK$'000	*HK$'000*
Secured bank loan	**49,271**	51,235

At the end of the reporting period, the bank loan is interest bearing at Hong Kong Interbank Offered Rate plus 1.3% (2023: Hong Kong Interbank Offered Rate plus 1.3%) per annum and secured by the Group's investment property with carrying value of HK$80,390,000 (2023: HK$86,530,000) and corporate guarantees provided by the Group's subsidiaries. The bank loan with a clause in their terms that gives the bank an overriding right to demand for repayment without notice or with notice period of less than 12 months at their sole discretion are classified as current liabilities even though the Directors do not expect that the banks would exercise their right to demand repayment.

30. DEFERRED TAXATION

The movement for the year in the Group's deferred tax assets (liabilities) was as follows:

	Depreciation allowance	**Tax losses**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
At 1 January 2023	(92)	92	–
Credit (Charge) to profit or loss for the year	92	(92)	–
At 31 December 2023, 1 January 2024 and **31 December 2024**	–	–	–

At the end of the reporting period, the Group had unrecognised temporary differences arising from unused tax losses and unrealised losses on financial assets at FVPL of approximately HK$2,037,533,000 (2023: HK$2,031,632,000) and HK$299,234,000 (2023: HK$302,218,000) respectively. Deferred tax assets have not been recognised due to the unpredictability of future profit available against which the Group can utilise the benefits therefrom. The tax losses do not expire under current tax legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

31. SHARE CAPITAL

	Notes	Number of shares	Share capital *HK$'000*
Ordinary shares of HK$0.05 (2023: HK$0.05) each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and **31 December 2024**		**20,000,000,000**	**1,000,000**

	Notes	Number of shares	Share capital *HK$'000*
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 1 January 2024		6,109,259,139	305,463
Issue of new shares upon vesting of awarded shares	32	75,000,000	3,750
Repurchase and cancellation of shares	(a)	(1,026,000)	(51)
At 31 December 2024		6,183,233,139	309,162

Note:

(a) On 25 June 2024, the Company repurchased 1,026,000 ordinary shares of the Company from the Stock Exchange with purchase price ranging from HK$0.127 to HK$0.142 per share with an aggregate consideration of HK$121,000 (after expenses). The repurchased shares were cancelled on 10 July 2024. Upon the completion of cancellation of shares, the number of the issued shares of the Company decreased by 1,026,000 shares. The share capital and share premium of the Company decreased by approximately HK$51,000 and HK$70,000 respectively.

All shares issued during the year rank pari passu with the existing shares in all respects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. SHARE OPTION AND SHARE AWARD SCHEMES

2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the "**2012 Share Option Scheme**") which had a life of ten years from 17 May 2012 and expired on 17 May 2022. Under the 2012 Share Option Scheme, the Board of Directors may, at its discretion, offer the eligible persons (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

During the years ended 31 December 2024 and 2023, no share options were granted, exercised or lapsed under the 2012 Share Option Scheme.

The following tables disclose details of the Company's share options held by eligible persons (including directors) and movement in such holdings during the years ended 31 December 2024 and 2023:

	Number of the share options					
2012 Share Option scheme	**Outstanding at 1 January 2024**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**Outstanding at 31 December 2024**	**Exercisable at 31 December 2024**
Directors of the Company	20,000,000	–	–	–	20,000,000	20,000,000
Employees	72,000,000	–	–	–	72,000,000	72,000,000
Other participants	100,000,000	–	–	–	100,000,000	100,000,000
	192,000,000	**–**	**–**	**–**	**192,000,000**	**192,000,000**
Weighted average exercise price	**HK$0.85**	**–**	**–**	**–**	**HK$0.85**	**HK$0.85**

	Number of the share options					
2012 Share Option scheme	Outstanding at 1 January 2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2023	Exercisable at 31 December 2023
Directors of the Company	20,000,000	–	–	–	20,000,000	20,000,000
Employees	72,000,000	–	–	–	72,000,000	72,000,000
Other participants	100,000,000	–	–	–	100,000,000	100,000,000
	192,000,000	–	–	–	192,000,000	192,000,000
Weighted average exercise price	HK$0.85	–	–	–	HK$0.85	HK$0.85

The weight average remaining contractual life is 4.76 years (2023: 5.76 years) for the share options outstanding as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

32. SHARE OPTION AND SHARE AWARD SCHEMES (CONTINUED)

2019 Share Award Scheme

On 19 December 2019, the Company adopted a share award scheme (the "**2019 Share Award Scheme**") which has a life of ten years from 19 December 2019. Under the 2019 Share Award Scheme, the Board of Directors may, at its discretion, issue awarded shares to the eligible persons (including any executive director) of the Company or its subsidiaries subject to the terms and conditions stipulated therein. As the Company has not sought shareholders' approval to refresh the share award mandate since its expiry on 12 June 2023, there was no awarded shares that may be granted under the 2019 Share Award Scheme during the year ended 31 December 2024.

On 22 January 2020, the Company granted 95,000,000 awarded shares to 10 eligible persons under the 2019 Share Award Scheme which shall be vested on the fourth anniversary of the date of grant (i.e. 22 January 2024). The share-based payment expenses shall be recognised with reference to the fair value of the shares granted determined based on the share price of the Company at the date of grant over 4 years from the date of grant on a straight line basis.

On 22 January 2024, 75,000,000 awarded shares were vested and issued to 7 eligible persons, the share award reserve of HK$63,750,000 in respect of issued shares was transferred to share capital and share premium. The remaining 20,000,000 unvested awarded shares were lapsed, the share award reserve of HK$16,998,000 in respect of the unvested awarded shares was transferred to retained earnings accordingly.

Movements of the awarded shares granted under the 2019 Share Award Scheme during the years ended 31 December 2024 and 2023 are as follows:

	Number of awarded shares				
2019 Share Award Scheme	**Unvested at 1 January 2024**	**Granted during the year**	**Vested during the year**	**Lapsed during the year**	**Unvested at 31 December 2024**
Director of the Company	**10,000,000**	**–**	**(10,000,000)**	**–**	**–**
Other participants	**85,000,000**	**–**	**(65,000,000)**	**(20,000,000)**	**–**
	95,000,000	**–**	**(75,000,000)**	**(20,000,000)**	**–**

	Number of awarded shares				
2019 Share Award Scheme	Unvested at 1 January 2023	Granted during the year	Vested during the year	Lapsed during the year	Unvested at 31 December 2023
Director of the Company	10,000,000	–	–	–	10,000,000
Other participants	85,000,000	–	–	–	85,000,000
	95,000,000	–	–	–	95,000,000

During the year ended 31 December 2024, no awarded shares were granted under the 2019 Share Award Scheme. During the year ended 31 December 2023, no awarded shares were granted, vested or lapsed under the 2019 Share Award Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

32. SHARE OPTION AND SHARE AWARD SCHEMES (CONTINUED)

2022 Share Option Scheme

On 13 June 2022, the Company adopted a share option scheme (the "**2022 Share Option Scheme**") which has a life of ten years from 13 June 2022. Under the 2022 Share Option Scheme, the Board of Directors may, at its discretion, offer the eligible persons (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. At the beginning and the end of the year ended 31 December 2024, the total number of share options available for grant under the 2022 Share Option Scheme was 610,925,913, representing 10% of the total issued shares of the Company as at the date of adoption of the scheme.

During the years ended 31 December 2024 and 2023, no share options were granted under the 2022 Share Option Scheme.

33. OTHER CASH FLOW INFORMATION

Changes in liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

2024

	Lease liabilities *HK$'000*	Interest-bearing borrowings *HK$'000*	Total *HK$'000*
At 1 January 2024	11,993	51,235	63,228
Reassessment of lease liabilities	4,978	–	4,978
Interest expenses	799	2,926	3,725
Interest paid	–	(2,926)	(2,926)
Cash outflow in financing activities:			
Repayment of interest-bearing borrowings	–	(1,964)	(1,964)
Lease payments (including interest payment)	(7,246)	–	(7,246)
At 31 December 2024	10,524	49,271	59,795

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YEAR ENDED 31 DECEMBER 2024

33. OTHER CASH FLOW INFORMATION (CONTINUED)

Changes in liabilities arising from financing activities (Continued)

2023

	Lease liabilities *HK$'000*	Interest-bearing borrowings *HK$'000*	Total *HK$'000*
At 1 January 2023	7,484	294,023	301,507
New lease	9,264	–	9,264
Reassessment of lease liabilities	2,089	–	2,089
Interest expenses	403	10,325	10,728
Interest paid	–	(5,370)	(5,370)
Settled by netting off of margin receivable	–	(129,279)	(129,279)
Cash outflow in financing activities:			
Repayment of interest-bearing borrowings	–	(118,464)	(118,464)
Lease payments (including interest payment)	(7,247)	–	(7,247)
At 31 December 2023	11,993	51,235	63,228

34. RELATED PARTY TRANSACTIONS

In addition to the remuneration to the key management personnel and those disclosed elsewhere in these consolidated financial statements, during the year, the Group had following transactions with related parties:

Related party relationship	Nature of transaction	**2024** ***HK$'000***	2023 *HK$'000*
Joint venture	Interest income from margin clients	**70**	–
Associate	Interest on other loans	**–**	417

The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

35. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes interest-bearing borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries engaged in securities dealings and broking, corporate finance and investment advisory services which are regulated entities under the Securities and Futures Commission and require to comply with Hong Kong Securities and Futures (Financial Resources) Rules (the "**SF(FR)R**") subject to the respective minimum capital requirements and liquid capital requirements. The management closely monitors the liquid capital requirements under SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by SF(FR)R throughout the years ended 31 December 2024 and 2023.

36. FINANCIAL INSTRUMENTS

Categories of financial instruments

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
Financial assets			
Mandatorily measured at FVPL		**149,823**	224,804
Amortised cost	(a)	**1,109,084**	943,957
Designated FVOCI		**1,471,386**	1,971,977
Financial liabilities			
Amortised cost	(b)	**170,243**	144,336

Notes:

(a) Financial assets at amortised cost include debt investment at amortised cost, trade, loan and other receivables (excluding certain deposits and prepayments), bank balances – trust and segregated accounts, short-term bank deposits and cash and cash equivalents.

(b) Financial liabilities at amortised cost include trade and other payables and interest-bearing borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies

At 31 December 2024, the Group's major financial instruments include Designated FVOCI, debt investment at amortised cost, trade, loan and other receivables, financial assets at FVPL, bank balances – trust and segregated accounts, short-term bank deposits, cash and cash equivalents, trade and other payables and interest-bearing borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The risks associated and the management policies remain unchanged from prior year.

Market risk

Foreign currency risk

Certain bank balances are denominated in foreign currencies which expose the Group to foreign currency risk.

At the end of the reporting period, the Group had the following amounts denominated in currencies other than the functional currency of the relevant entities to which they relate.

	Assets	
	2024	2023
	HK$'000	*HK$'000*
EUR	**239**	7
RMB	**13,728**	176,854
US$	**75,654**	42,746

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The management considers the Group's exposure on foreign exchange rate risk from the remaining foreign currencies is minimal due to insignificant balances denominated in other foreign currencies.

Sensitivity analysis

At the end of the reporting period, if exchange rate of RMB had appreciated/depreciated against the functional currencies of the respective group entities by 2% (2023: 5%) and all other variables were held constant, the Group's loss before tax would decrease/increase by approximately HK$275,000 (2023: approximately HK$8,843,000) as a result of changes in the carrying amount of these assets.

Since the exchange rate of HK$ is pegged with US$, the Group does not expect any significant movements in the US$/HK$ exchange rates.

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at the end of the reporting period and had been applied to each of the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the year until the end of the next reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate cash and cash equivalents and variable-rate interest-bearing borrowings. The management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rate risks in relation to variable-rate interest-bearing borrowings at the end of the reporting period. If the interest rates had been 100 (2023:100) basis points higher/lower and all other variables were held constant, the Group's loss before tax would increase/decrease by approximately HK$493,000 (2023: approximately HK$512,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred throughout the reporting period and had been applied to the exposure to interest rate risk for the average balances of the interest-bearing loans from independent third parties in existence during the reporting period. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate bank balances as a result of the change of market interest rate is insignificant due to low interest rates on bank balances at the end of the reporting period, thus no sensitivity analysis is prepared for cash flow interest rate risk.

Equity price risk

The Group is exposed to equity price risk arising from investments in listed equity securities which classified as financial assets at FVPL and Designated FVOCI. The sensitivity analysis has been determined based on the exposure to equity price risk.

Sensitivity analysis

At the end of the reporting period, if the quoted market prices of the listed equity securities classified as financial assets at FVPL had been 5% (2023: 6%) higher or lower while all other variables were held constant, the Group's loss before tax would decrease/increase by approximately HK$4,758,000 (2023: approximately HK$9,597,000) as a result of changes in fair value of these financial assets.

At the end of the reporting period, if the quoted market prices of the listed equity securities classified as Designated FVOCI had been 5% (2023: 6%) higher or lower while all other variables were held constant, the Group's other comprehensive expense for the year would decrease/increase by approximately HK$46,370,000 (2023: approximately HK$75,062,000) as a result of changes in fair value of these financial assets.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the equity prices had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the investments of the Group would change in accordance with the market price and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant market price over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk

The carrying amount of financial assets on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group's maximum exposure to credit risk in the event of the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group reviews the recoverable amount of each individual financial assets at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Trade receivables from margin clients

The Group provides financing services only to recognised and creditworthy third parties. It is the Group's policy that all these margin clients are subject to credit verification procedures. The margin loans are secured by pledged marketable securities and margin is set to ensure that certain proportion of the fair value of pledged marketable securities of the individual margin clients is sufficiently higher than the corresponding outstanding loans.

The Group's customer base consists of a wide range of clients and the trade receivables from margin clients are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience, loan to value ratio which determined using current trade receivable balances and pledged marketable securities and adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

After considering the above factors, the management assess that all of the trade receivables from margin clients have not had a significant increase in credit risk and 12-month ECL will be recognised. The management of the Group considers the 12-month ECL of trade receivables from margin clients to be insignificant, so no loss allowance was recognised during the year (2023: Nil).

Loan receivables

Management has money lending policies in place and the exposure to the credit risk is monitored on an ongoing basis. The Group grants loans only to recognised and creditworthy third party and related party borrowers. It is the Group's policy that all these borrowers are subject to credit verification procedures. Also, the Group has other monitoring procedures to ensure that follow-up action is promptly taken to recover overdue debts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Loan receivables (Continued)

As at 31 December 2024, the Group has concentration of credit risk as 10% and 42% (2023: 26% and 82%) of total loan receivables was due from the Group's largest borrower and the five largest borrowers respectively, within the money lending segment.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the loan receivable is credit-impaired, the Group has taken into account the historical actual credit loss experience for the borrowers and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of three categories of internal credit rating. The information about the ECL for the loan receivables as at 31 December 2024 is summarised below. After considering the above factors, a loss allowance of approximately HK$40,752,000 (2023: approximately HK$11,122,000) was recognised as at 31 December 2024.

At 31 December 2024

Internal credit rating	**Gross carrying amount** *HK$'000*	**ECL**	**Loss allowance** *HK$'000*	**Net carrying amount** *HK$'000*
Performing (Note i)	**501,094**	**12-month**	**(13,058)**	**488,036**
Underperforming (Note ii)	**155,690**	**Lifetime**	**(17,439)**	**138,251**
Not performing (Note iii)	**10,255**	**Lifetime**	**(10,255)**	**–**
	667,039		**(40,752)**	**626,287**

At 31 December 2023

Internal credit rating	Gross carrying amount *HK$'000*	ECL	Loss allowance *HK$'000*	Net carrying amount *HK$'000*
Performing (Note i)	226,193	12-month	4,524	221,669
Underperforming (Note ii)	52,961	Lifetime	2,118	50,843
Not performing (Note iii)	4,480	Lifetime	4,480	–
	283,634		11,122	272,512

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YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Loan receivables (Continued)

Notes:

(i) Performing (Normal Credit Quality) refers to the loans that have not had a significant increase in credit risk and ECL in the next 12 months will be recognised;

(ii) Underperforming (Significant Increase in Credit Risk) refers to the loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised;

(iii) Not performing (Credit-impaired) refers to the loans that have objective evidence of impairment and for which the lifetime ECL will be recognised.

Aging analysis

Aging analysis of loan receivables (net of loss allowance) prepared based on loan commencement date set out in the relevant contracts is as follows:

	2024	2023
	HK$'000	*HK$'000*
1 to 3 months	**200,456**	14,810
4 to 6 months	**39,421**	54,085
7 to 12 months	**239,901**	132,206
Over 12 months	**146,509**	71,411
At the end of the reporting period	**626,287**	272,512

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	2024	2023
	HK$'000	*HK$'000*
Not yet past due	**626,287**	272,512

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Loan receivables (Continued)

Aging analysis (Continued)

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

	2024			
	12-month ECL	**Lifetime ECL**		
	Performing *HK$'000*	**Under-performing** *HK$'000*	**Not performing** *HK$'000*	**Total** *HK$'000*
At the beginning of the reporting period	**4,524**	**2,118**	**4,480**	**11,122**
Increase in allowance	**15,664**	**12,943**	**5,710**	**34,317**
Reversal of allowance upon recovery of loan	**(4,567)**	**(120)**	**–**	**(4,687)**
Transferred from Performing to Under-performing or Not performing	**(2,563)**	**2,498**	**65**	**–**
At the end of the reporting period	**13,058**	**17,439**	**10,255**	**40,752**

	2023			
	12-month ECL	Lifetime ECL		
	Performing *HK$'000*	Under-performing *HK$'000*	Not performing *HK$'000*	Total *HK$'000*
At the beginning of the reporting period	4,155	26,015	4,480	34,650
Increase in allowance	4,104	1,564	–	5,668
Reversal of allowance upon recovery of loan	(3,533)	(25,663)	–	(29,196)
Transferred from Performing to Under-performing	(202)	202	–	–
At the end of the reporting period	4,524	2,118	4,480	11,122

During the year ended 31 December 2024, except for the loan classify as Under-Performing at 31 December 2023, only 2 additional loans had significant increase in credit risk and was reclassified as Under-Performing. The increase in loss allowance refers to increase in rate for exposure at default due to the deterioration of financial performance of the borrowers.

The management closely monitors the credit quality of the loans and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Debt investment at amortised cost and other receivables

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial assets are credit-impaired, the Group has taken into account the historical actual credit loss experience, financial information and adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or methodology made during the year.

The management considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties. No loss allowance was recognised during the year (2023: Nil).

Deposits with financial institution

The credit risk on bank balances is limited because majority of the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowance was recognised during the year (2023: Nil).

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and interest cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables

	Weighted average effective interest rate	On demand or within 1 year	Over 1 year but within 2 years	Total undiscounted cash flows	Carrying amount at 31.12.2024
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024					
Non-derivative financial liabilities					
Amounts due to cash and margin clients	–	31,857	–	31,857	31,857
Amounts due to future clients	–	627	–	627	627
Secured margin loans from securities brokers	–	79,800	–	79,800	79,800
Other payables and accrued charges	–	8,688	–	8,688	8,688
Interest-bearing borrowings (Note)	5.83%	49,271	–	49,271	49,271
Lease liabilities	6.46%	7,247	3,624	10,871	10,524
		177,490	3,624	181,114	180,767

	Weighted average effective interest rate	On demand or within 1 year	Over 1 year but within 2 years	Total undiscounted cash flows	Carrying amount at 31.12.2023
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2023					
Non-derivative financial liabilities					
Amounts due to cash and margin clients	–	54,936	–	54,936	54,936
Amounts due to HKSCC	–	4,613	–	4,613	4,613
Secured margin loans from securities brokers	–	10,065	–	10,065	10,065
Other payables and accrued charges	–	23,487	–	23,487	23,487
Interest-bearing borrowings (Note)	6.60%	51,235	–	51,235	51,235
Lease liabilities	6.55%	7,247	5,469	12,716	11,993
		151,583	5,469	157,052	156,329

Note:

At the end of the reporting period, the bank loan with a clause in their terms that gives the bank on overriding right to demand for repayment without notice or with notice period of less than 12 months at their sole discretion are classified as current liabilities even though the directors do not expect that the banks would exercise their right to demand repayment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

36. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Note: (Continued)

The interest-bearing borrowings would be repaid according to the following schedule (ignoring the effect of any repayment on demand clause) as set out in the loan agreements:

	2024	2023
	HK$'000	*HK$'000*
Within 1 year	**4,785**	5,285
Over 1 year but within 2 years	**4,670**	5,156
Over 2 years but within 5 years	**13,324**	19,327
Over 5 years	**62,646**	65,694
	85,425	95,462

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37. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Fair value of the Group's assets that are measured at fair value

Assets	Fair value as at 2024	Fair value as at 2023	Fair value hierarchy	Valuation techniques and key inputs
1) Investments in listed equity securities classified as financial assets at FVPL	**Listed equity securities in: – Hong Kong HK$95,152,000**	Listed equity securities in: – Hong Kong HK$152,849,000 – United States HK$7,098,000	Level 1	Quoted bid prices in an active market
2) Investments in unlisted investment funds classified as financial assets at FVPL	**HK$54,671,000**	HK$64,857,000	Level 2	Determined by the external fund manager based on net asset value of the funds
3) Investments in listed equity securities classified as Designated FVOCI	**Listed equity securities in: – Hong Kong HK$859,342,000 – United States HK$68,048,000**	Listed equity securities in: – Hong Kong HK$1,220,886,000 – United States HK$30,144,000	Level 1	Quoted bid prices in an active market
4) Investments in unlisted equity securities classified as Designated FVOCI	**HK$468,776,000**	HK$645,727,000	Level 3	Derived from unobservable inputs for the asset or liability by independent professional qualified valuers (2023: independent professional qualified valuers or the management)
5) Investment property	**HK$80,390,000**	HK$86,530,000	Level 3	Derived from direct comparison approach with adjustment on unobservable inputs by an independent professional qualified valuer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's assets that are measured at fair value (Continued)

There were no transfers between Level 1 and Level 2 fair value measurement, and no transfers into and out of Level 3 fair value measurements for both years. The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 31 December 2024 and 2023 are as follows:

Movements in Level 3 fair value measurements
2024

	Investment property	Designated FVOCI	
Description	**Residential property located in Hong Kong** *HK$'000*	**Unlisted equity securities** *HK$'000*	**Total** *HK$'000*
At the beginning of the reporting period	86,530	645,727	732,257
Total gains or losses	–	–	–
reported as "fair value loss on investment property" in profit or loss	(6,140)	–	(6,140)
reported as "fair value change on Designated FVOCI" in other comprehensive income	–	(176,951)	(176,951)
At the end of the reporting period	**80,390**	**468,776**	**549,166**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's assets that are measured at fair value (Continued)

Movements in Level 3 fair value measurements (Continued)

2023

	Investment property	Financial assets at FVPL	Designated FVOCI	
Description	Residential property located in Hong Kong *HK$'000*	Financial assets arising from a financing arrangement *HK$'000*	Unlisted equity securities *HK$'000*	Total *HK$'000*
At the beginning of the reporting period	102,750	105,438	673,543	881,731
Addition	–	–	119,780	119,780
Disposal	–	(110,000)	–	(110,000)
Total gains or losses				
reported as "fair value loss on investment property" in profit or loss	(16,220)	–	–	(16,220)
reported as "gain on disposal of financial assets arising from a financing arrangement" in profit or loss	–	4,562	–	4,562
reported as "fair value change on Designated FVOCI" in other comprehensive income	–	–	(147,596)	(147,596)
At the end of the reporting period	86,530	–	645,727	732,257

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's assets that are measured at fair value (Continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement

The quantitative information of the significant unobservable input and description of valuation techniques used in Level 3 fair value measurement, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 31 December 2024 *HK$'000*	Fair value at 31 December 2023 *HK$'000*	Valuation techniques	Unobservable input	Sensitivity of fair value to changes in unobservable inputs
Assets					
Designated FVOCI					
(a) Unlisted equity securities in BVI	**22,454**	72,691	Adjusted net asset value method	a) The mean of P/B ratios of the comparable companies of 0.25 (2023: 0.28) b) The minority discount of 5% (2023: 5%)	a) If the P/B ratio increased / decreased by 5%, the fair value of the unlisted equity securities would increase / decrease by HK$353,000 (2023: HK$278,000). b) If the minority discount increased / decreased by 1%, the fair value of the unlisted equity securities would decrease / increase by HK$236,000 (2023: HK$765,000).
(b) Unlisted equity securities in Cayman Islands	**398,000**	509,000	Adjusted net asset value method	a) The discount for lack of marketability of 19.16% (2023: 19.74%)	a) If the discount for lack of marketability increased / decreased by 1%, the fair value of the unlisted equity securities would decrease / increase by HK$5,000,000 (2023: HK$6,000,000).
(c) Unlisted equity securities in Marshall Islands	**48,322**	64,036	Adjusted net asset value method	a) The discount for lack of marketability of 19.16% (2023: 20.82%)	b) If the discount for lack of marketability increased / decreased by 1%, the fair value of the unlisted equity securities would decrease / increase by HK$255,000 (2023: HK$60,000).
Investment property					
(d) Residential property located in Hong Kong	**80,390**	86,530	Direct comparison approach	a) Unit sale rate is at about HK$29,683/sq.ft. (2023: HK$32,000/sq.ft.) saleable area, after upward adjustment of 12% (2023: 5%) for the difference in time, age, location, ancillary facilities and view for the comparable.	a) If the unit sale rate is higher/ lower, while all the other variables were held constant, the fair value of the property will increase/decrease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

37. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's assets that are measured at fair value (Continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurement (Continued)

The fair value of the unlisted equity securities without an active market classified in Level 3 fair value measurement was determined by the management based on the valuation from Grant Sherman Appraisal Limited and Ravia Global Appraisal Advisory Limited, independent professional qualified valuers.

The fair value of the investment property classified in Level 3 fair value measurement was determined by the management based on the valuation from Ravia Global Appraisal Advisory Limited, an independent professional qualified valuer.

Valuation process

The management of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will establish the appropriate valuation techniques and inputs to the model. Management reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(b) Fair value of the Group's financial assets and financial liabilities carried at other than fair value

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Under the continuous net settlement arrangement, money obligations receivable and payable with HKSCC due to or from the Group entities on the same settlement date are settled on a net basis. The Group has legally enforceable right to set off the amounts of receivables and payables with cash clients and margin clients that are due to be settled on the same date.

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38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS (Continued)

The gross amounts of the recognised financial assets and financial liabilities and their net amounts as presented in the Group's consolidated statement of financial position are as follows:

	Gross amounts of recognised financial assets	**Gross amounts of recognised financial assets set off in the consolidated statement of financial position**	**Net amounts of financial assets presented in the consolidated statement of financial position**	**Related amount not set off in the consolidated statement of financial position**		**Net amount**
				Financial instruments	**Collateral pledged**	
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
As at 31 December 2024						
Trade receivables from cash clients	**102**	**–**	**102**	**–**	**(15)**	**87**
Trade receivables from margin clients	**122,033**	**–**	**122,033**	**–**	**(122,033)**	**–**
Trade receivables from HKSCC	**60**	**(31)**	**29**	**–**	**–**	**–**
Financial assets at FVPL and Designated FVOCI	**1,022,542**	**–**	**1,022,542**	**(79,800)**	**–**	**942,742**

	Gross amounts of recognised financial assets	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amount not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Collateral pledged	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2023						
Trade receivables from cash clients	114	–	114	–	–	114
Trade receivables from margin clients	165,163	(226)	164,937	–	(164,937)	–
Trade receivables from HKSCC	302	(302)	–	–	–	–
Financial assets at FVPL and Designated FVOCI	1,410,977	–	1,410,977	(10,065)	–	1,400,912

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38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES SUBJECT TO OFFSETTING, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS (Continued)

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amount not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Collateral pledged	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2024						
Trade payables to cash clients	**(2,530)**	**–**	**(2,530)**	**–**	**–**	**(2,530)**
Trade payables to margin clients	**(29,327)**	**–**	**(29,327)**	**–**	**–**	**(29,327)**
Trade payables to HKSCC	**(31)**	**31**	**–**	**–**	**–**	**–**
Trade payables to future clients	**(627)**	**–**	**(627)**	**–**	**–**	**(627)**
Secured margin loans from securities brokers	**(79,800)**	**–**	**(79,800)**	**–**	**79,800**	**–**

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amount not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Collateral pledged	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2023						
Trade payables to cash clients	(818)	–	(818)	–	–	(818)
Trade payables to margin clients	(54,344)	226	(54,118)	–	–	(54,118)
Trade payables to HKSCC	(4,915)	302	(4,613)	–	–	(4,613)
Secured margin loans from securities brokers	(10,065)	–	(10,065)	–	10,065	–

The amounts which have been offset against the related recognised financial assets and financial liabilities in the Group's consolidated statement of financial position are measured on the same basis as the recognised financial assets and financial liabilities, which is at amortised cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

39. RETIREMENT BENEFIT SCHEMES

In December 2000, the Group enrolled all Hong Kong employees in a Mandatory Provident Fund ("**MPF**") Scheme. The assets of the MPF Scheme are held separately from those of the Group under the control of trustees. The retirement benefit cost for the MPF charged to the consolidated statement of profit or loss and other comprehensive income represents contributions paid and payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

During the year ended 31 December 2024, the total expense recognised in the consolidated statement of profit or loss and other comprehensive income is approximately HK$369,000 (2023: approximately HK$419,000).

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2024 and 2023 are as follows:

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Global Mind Investment Limited	BVI – limited liability company	US$1 of 1 ordinary share	–	100	–	100	Investment holding
Kenson Investment Limited	Bermuda – limited liability company	US$10 of 10 ordinary shares	–	100	–	100	Securities trading and investments
Noble Order Limited	BVI – limited liability company	HK$91,476,207 of 1,000 ordinary shares	–	55 (Note ii)	–	100	Investment holding
Nu Kenson Limited	BVI – limited liability company	US$1 of 1 ordinary share	–	100	–	100	Securities trading and investments
Oshidori Citizens Money Lending Corporation Limited	Hong Kong – limited liability company	HK$15,000,000 of 15,000,000 ordinary shares	–	100	–	100	Money lending
Oshidori Corporate Finance Limited	Hong Kong – limited liability company	HK$10,000,000 of 10,000,000 ordinary shares	–	100	–	100	Corporate finance advisory services
Oshidori Securities Limited	Hong Kong – limited liability company	HK$1,000,000,000 of 1,000,000,000 ordinary shares	–	100	–	100	Securities brokerage and financial services
Oshidori WW Resources Limited	Hong Kong – limited liability company	HK$150,000,001 of 150,000,001 ordinary shares	–	100	–	100	Money lending
Roxy Link Limited	BVI – limited liability company	US$1 of 1 ordinary share	–	100	–	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment and operation	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Smart Jump Corporation	BVI – limited liability company	US$1 of 1 ordinary share	-	100	–	100	Securities trading and investments
Uptown WW Group Limited	BVI – limited liability company	100 ordinary shares with no par value	-	100	–	100	Holding of yacht and motor vehicles
Win Wind Capital Limited	BVI – limited liability company	HK$2,350,663,816.42 of 115,425,007 ordinary shares	100	-	100	–	Investment holding
Win Wind Corporate Services Limited	Hong Kong – limited liability company	HK$1 of 1 ordinary share	-	100	–	100	Provision of management services
威華達信息管理(深圳)有限公司 (Note i)	PRC – limited liability company	Paid-up capital of RMB10,000,000	100	-	100	–	Investment holding
深圳市威華軒信息諮詢有限公司 (Note i)	PRC – limited liability company	Paid-up capital of RMB18,000,000	-	100	–	100	Investment holding

Notes:

(i) 威華達信息管理(深圳)有限公司 and 深圳市威華軒信息諮詢有限公司 are wholly owned foreign enterprises.

(ii) On 28 October 2024, the Group disposed of 45% equity interest in Pacific Stone Limited, a then wholly owned subsidiary, at a consideration of HK$5,000,000 which was settled in cash. The disposal was completed on the same date. Upon completion of the disposal, Pacific Stone Limited and its subsidiary, Noble Order Limited, (collectively, the "**Pacific Stone Group**") became non wholly owned subsidiaries of the Company. The carrying amount of the non-controlling interests in Pacific Stone Group at the date of disposal was approximately HK$4,311,000 which represented proportionate share of the carrying amount of net assets of Pacific Stone Group. The Group recognised non-controlling interests of approximately HK$4,311,000 and recognised directly in retained earnings attributable to owners of the Company of approximately HK$689,000 for the difference between (1) the amount by which the non-controlling interests are adjusted and (2) the fair value of the consideration payable.

The above list includes the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results of the year or assets and liabilities of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Non-current assets			
Investments in subsidiaries		**2,720,067**	2,860,296
Amounts due from subsidiaries		**1,806,551**	1,889,398
Designated FVOCI		**106,756**	408,115
		4,633,374	5,157,809
Current assets			
Other receivables, deposits and prepayments		**441**	441
Cash and cash equivalents		**2,171**	713
		2,612	1,154
Current liabilities			
Other payables and accrued charges		**1,415**	1,213
Amounts due to subsidiaries		**1,646,233**	1,496,089
		1,647,648	1,497,302
Net current liabilities		**(1,645,036)**	(1,496,148)
NET ASSETS		**2,988,338**	3,661,661
Capital and reserves			
Share capital	31	**309,162**	305,463
Reserves	(a)	**2,679,176**	3,356,198
TOTAL EQUITY		**2,988,338**	3,661,661

This statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2025 and is signed on its behalf by:

Director	*Director*
Sam Hing Cheong	**Wong Yat Fai**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

(a) Movement of the reserves

	Note	Share premium *HK$'000*	Contributed surplus *HK$'000*	Investment revaluation reserve (non-recycling) *HK$'000*	Share option reserve *HK$'000* (Note 32)	Share award reserve *HK$'000* (Note 32)	Retained earnings (Accumulated losses) *HK$'000*	Total *HK$'000*
At 1 January 2023		194,215	5,726,232	(6,690)	107,225	60,561	57,014	6,138,557
Loss for the year		–	–	–	–	–	(1,947,951)	(1,947,951)
Other comprehensive expense								
Item that will not be reclassified to profit or loss								
Fair value change on Designated FVOCI		–	–	(854,595)	–	–	–	(854,595)
Total other comprehensive expense for the year		–	–	(854,595)	–	–	–	(854,595)
Total comprehensive expense for the year		–	–	(854,595)	–	–	(1,947,951)	(2,802,546)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal		–	–	(7,682)	–	–	7,682	–
Transactions with owners:								
Contributions and distributions								
Recognition of equity-settled share-based payments	32	–	–	–	–	20,187	–	20,187
Total transactions with owners		–	–	–	–	20,187	–	20,187
At 31 December 2023		194,215	5,726,232	(868,967)	107,225	80,748	(1,883,255)	3,356,198

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

(a) Movement of the reserves (Continued)

	Note	Share premium HK$'000	Contributed surplus HK$'000	Investment revaluation reserve (non-recycling) HK$'000	Share option reserve HK$'000 (Note 32)	Share award reserve HK$'000 (Note 32)	Accumulated losses HK$'000	Total HK$'000
At 1 January 2024		194,215	5,726,232	(868,967)	107,225	80,748	(1,883,255)	3,356,198
Loss for the year		-	-	-	-	-	(428,599)	(428,599)
Other comprehensive expense								
Item that will not be reclassified to profit or loss								
Fair value change on Designated FVOCI		-	-	(244,603)	-	-	-	(244,603)
Total other comprehensive expense for the year		-	-	(244,603)	-	-	-	(244,603)
Total comprehensive expense for the year		-	-	(244,603)	-	-	(428,599)	673,202)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal		-	-	1,140,322	-	-	(1,140,322)	-
Transactions with owners:								
Contributions and distributions								
Issue of new shares upon vesting of awarded shares	32	60,000	-	-	-	(63,750)	-	(3,750)
Lapse of awarded shares	32	-	-	-	-	(16,998)	16,998	-
Repurchase and cancellation of shares	31(a)	(70)	-	-	-	-	-	(70)
Total transactions with owners		59,930	-	-	-	(80,748)	16,998	(3,820)
At 31 December 2024		254,145	5,726,232	26,752	107,225	-	(3,435,178)	2,679,176

Nature of the respective reserves is set out in the notes to Consolidated Statement of Changes in Equity.

FINANCIAL SUMMARY

	For the year ended 31 December				
	2020	2021	2022	2023	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
Revenue	280,459	(3,101,855)	109,193	60,224	**36,052**
Net unrealised fair value gain (loss) on financial assets at FVPL	2,649,597	(97,400)	(92,557)	(46,427)	**(42,981)**
Profit (Loss) before taxation	3,209,089	(3,551,087)	(79,288)	(82,899)	**(194,675)**
Taxation	(389,631)	405,359	(1,800)	(1,587)	**(5)**
Profit (Loss) for the year	2,819,458	(3,145,728)	(81,088)	(84,486)	**(194,680)**
Attributable to:					
Owners of the Company	2,819,555	(3,145,728)	(81,088)	(84,486)	**(194,506)**
Non-controlling interests	(97)	–	–	–	**(174)**
Profit (Loss) for the year	2,819,458	(3,145,728)	(81,088)	(84,486)	**(194,680)**

	As at 31 December				
	2020	2021	2022	2023	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	10,902,547	6,309,022	5,754,134	3,888,390	**3,217,784**
Total liabilities	(965,378)	(568,176)	(475,819)	(157,345)	**(181,629)**
	9,937,169	5,740,846	5,278,315	3,731,045	**3,036,155**
Equity attributable to owners of the Company	9,935,364	5,740,846	5,278,315	3,731,045	**3,032,018**
Non-controlling interests	1,805	–	–	–	**4,137**
	9,937,169	5,740,846	5,278,315	3,731,045	**3,036,155**