中薇金融
CHINA VÊRED FINANCIAL

China Vered Financial Holding Corporation Limited
中薇金融控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 245

Annual Report 2024

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Li Feng *(Chief Executive Officer)*
Xie Fang *(Chief Risk Officer)*
(Appointed as Executive Director on 22 March 2024)
Cao Jianmei (Appointed as Executive Director on 13 December 2024)
Du Lina (Appointed as Acting Chairperson on 22 February 2024, appointed as Chairperson on 22 March 2024 and resigned as Chairperson and Executive Director on 8 April 2024)
Lin Le (Resigned as Chairperson and Executive Director on 21 March 2024)

Non-executive Director

Ng Kian Guan *(Chairman)* (Appointed as Chairman and Non-executive Director on 8 April 2024)
Huang Yan (Appointed on 19 April 2024 and retired on 28 June 2024)
Zhang Boyang (Resigned on 8 April 2024)

Independent Non-executive Directors

Cheng Tai Sheung (Appointed on 8 March 2024 and designated as Lead Independent Non-executive Director on 21 January 2025)
Ko Ming Tung, Edward
(Appointed on 22 March 2024)
Sun Junchen (Appointed on 22 March 2024)
Wong Ka Wai (Appointed on 22 March 2024)
Zhou Hui (Resigned on 22 March 2024)
Dong Hao (Resigned on 13 March 2024)
Wen Yuanhua (Resigned on 13 March 2024)
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

AUDIT COMMITTEE

Wong Ka Wai *(Chairman)* (Appointed as Chairman and member on 22 March 2024)
Cheng Tai Sheung (Appointed on 8 March 2024)
Ko Ming Tung, Edward (Appointed on 22 March 2024)
Sun Junchen (Appointed on 22 March 2024)
Zhou Hui (Resigned as Chairperson and member on 22 March 2024)
Dong Hao (Resigned on 13 March 2024)
Wen Yuanhua (Resigned on 13 March 2024)
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

NOMINATION COMMITTEE

Ng Kian Guan *(Chairman)* (Appointed as Chairman and member on 8 April 2024)
Cheng Tai Sheung (Appointed on 8 March 2024)
Ko Ming Tung, Edward (Appointed on 22 March 2024)
Sun Junchen (Appointed on 22 March 2024)
Wong Ka Wai (Appointed on 22 March 2024)
Cao Jianmei (Appointed on 21 January 2025)
Du Lina (Appointed as Acting Chairperson and member on 22 February 2024, appointed as Chairperson on 22 March 2024 and resigned as Chairperson and member on 8 April 2024)
Zhou Hui (Resigned on 22 March 2024)
Lin Le (Resigned as Chairperson and member on 21 March 2024)
Dong Hao (Resigned on 13 March 2024)
Wen Yuanhua (Resigned on 13 March 2024)
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

REMUNERATION COMMITTEE

Cheng Tai Sheung *(Chairman)*
(Appointed as member on 8 March 2024 and appointed as Chairman on 22 March 2024)
Ko Ming Tung, Edward (Appointed on 22 March 2024)
Sun Junchen (Appointed on 22 March 2024)
Wong Ka Wai (Appointed on 22 March 2024)
Zhou Hui (Resigned on 22 March 2024)
Wen Yuanhua (Resigned as Chairman and member on 13 March 2024)
Dong Hao (Resigned on 13 March 2024)
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

COMPANY SECRETARY

Wong Wai Yee Ella

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Construction Bank Corporation
China Merchants Bank, Hong Kong Branch
China Minsheng Bank, Hong Kong Branch
Chong Hing Bank Limited
CMB Wing Lung Bank Limited
Industrial Bank Co., Ltd., Hong Kong Branch

SOLICITORS

Hong Kong Law
Baker & McKenzie

INDEPENDENT AUDITOR

Forvis Mazars CPA Limited
(formerly known as Mazars CPA Limited)
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

(with effect from 9 December 2024)
Suites 2803-04, 28/F
South Island Place
8 Wong Chuk Hang Road
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

(with effect from 1 January 2025)
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

245 HK

WEBSITE

www.chinavered.com

CHAIRPERSON'S STATEMENT

Mr. Ng Kian Guan
Chairman

Dear Shareholders,

On behalf of the Board (the "Board") of Directors (the "Directors") of China Vered Financial Holding Corporation Limited (the "Company", together with its subsidiaries, the "Group"), I hereby present the annual report of the Group for the financial year ended 31 December 2024.

Looking back at 2024, a delicate balance was struck between global economic growth and inflation control. Central banks worldwide eased interest rates, and global trade gradually rebounded which slowed down the decline in international investment. China and Hong Kong's economies maintained moderate growth. With lower global interest rates in the latter half of the year and economic stimulus measures introduced by the government of China, the market sentiment in Hong Kong improved, leading the Hang Seng Index to record its first annual gain in five years. However, the recovery has been weaker and slower than anticipated. Structural adjustments in the real estate sector and persistently low consumer confidence have left investors cautious about the long-term prospects of the capital markets in China and Hong Kong.

Facing the challenging external environment, the Group endeavored to safeguard a steady improvement in its financial and operating position in 2024 by optimizing its organizational structure, strengthening cost management and risk control, focusing on its advantageous resources, constructing a diversified investment portfolio, and seizing market rebound opportunities. The Group's total revenue for the year, including net gain on financial assets/liabilities, amounted to approximately HK$545,873,000 (2023: HK$196,195,000). The net provision for impairment of loans, investments and other receivables decreased to approximately HK$39,179,000 (2023: HK$49,389,000). This led to the Group's net profit for the year of approximately HK$223,196,000 (2023: loss of HK$23,561,000), and net earnings per share of 0.64 HK cent (2023: loss per share of 0.08 HK cent).

Looking forward to 2025, the global political and economic landscape will continue to present both opportunities and challenges. With inflationary pressures easing, major economies are likely to pursue interest rate cuts and adopt loose fiscal policies, fostering steady global economic growth. However, uncertainties such as rising trade protectionism and escalating geopolitical conflicts may impact global trade stability and investor confidence. Additionally, structural economic issues, such as high debt levels in some economies, pose obstacles to global economic recovery. The Group will adapt its investment portfolio in response to macroeconomic trends and market changes, while optimizing asset allocation. The Group will explore suitable investment as well as merger and acquisition opportunities in the real industry, focusing on sunrise industries such as healthcare and new energy as well as high-quality targets with core technologies, while optimizing the industrial layout through mergers and acquisitions as well as integration of high-quality industrial resources, thereby promoting strategic transformation of the Company and establishing new profit growth points. The Group will also establish robust internal control and risk management systems to ensure healthy and stable business development.

The Group and the Board recognize that the Company's stability and robust development are deeply rooted in the trust and support of our investors. On behalf of the Board, I extend my sincere gratitude to our investors for their unwavering trust and support, and my heartfelt appreciation to our management and staff for their relentless efforts. While taking advantage of the market recovery, we strengthen our core competitiveness, enhance the Group's profitability, and generate sustainable returns for our investors. The Group also views social responsibility as a key mission. We are committed to environmental protection and public welfare, and aiming to contribute to societal harmony and progress for achieving a mutual enhancement of corporate and social values.

Ng Kian Guan
Chairman

Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, disparities can be observed in terms of global macroeconomic recovery, with a widening gap in the growth momentum between major economies. According to the data from the International Monetary Fund (IMF), the global economic growth rate was 3.2% in 2024, which was lower than the historical average of 3.7% from 2000 to 2019. In developed economies, the economic growth rate of the United States was approximately 2.8% due to consumption and investment resilience, while that of the Eurozone was only 0.8% due to a sluggish manufacturing industry and weak goods exports. The economic growth in Japan slightly slowed down due to supply disruptions, while the German economy entered a stage of contraction. Prominent disparities also exist among emerging and developing economies. The Asian economy took the lead with a 5.2% growth rate. In particular, the growth rate of the Indian economy reached 6.5% even though industrial development in the country had slowed down. The growth rate of the Chinese economy slowed down to 5% under the influence of factors such as deep adjustment of the real estate sector and a sluggish consumption market. Yet the initial growth target was still achieved, demonstrating its economic resilience and potential.

As far as Hong Kong is concerned, the Hong Kong economy experienced a moderate recovery in 2024 with an expected GDP growth of 2.5% for the year as a whole. This recovery is characterized by a shift in internal and external momentum and intensifying structural differentiation. External demand may become the main engine of growth in the short term. The reorganization of the regional supply chain, coupled with the low base effect, has driven the growth of commodity trading, yet the recovery of service trading has been lagging behind. In particular, in terms of tourism, although there has been a rebound in the number of visitors, the consumption pattern has shifted from traditional shopping to cultural experiences, and local retail sales have continued to be lower than the pre-epidemic levels. This indicates that the endogenous dynamics of the economy have yet to be fully restored. Residents' income has been supported by the stable job market, yet competition in the local service sector has intensified due to cross-border consumption. Meanwhile, the axing of all extra stamp duties has brought short-term stimulation to the property market, yet the downward trend of the property market resumed under the co-existence of pressure on asset price adjustments and industrial restructuring.

Disparities can be observed in Hong Kong's capital market, with the Hang Seng Index rising 17.7% for the year as a whole, while the Hang Seng China Enterprises Index and the Hang Seng Technology Index increased by 26.4% and 18.7% respectively. In particular, the technology and financial sectors rebounded strongly, thanks to loose global liquidity and benefits of regional innovation, while traditional sectors such as healthcare and real estate were constrained by cyclical supply-demand imbalances and a tighter regulatory environment, highlighting structural contradictions during the economic transition. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") completed its largest IPO project in the past three years during the second half of 2024, and the capital raised from the Hong Kong IPO market increased compared to last year, regaining its position among the top five global IPO markets. Liquidity in the secondary market also improved, reflecting to a certain extent, international investors' recognition of Hong Kong's status as a regional hub.

Overall, the Hong Kong economy remains resilient amidst external fluctuations, but the pain of transitioning from old to new trends is evident. There is a pressing need to enhance regional synergies and pursue industrial upgrading to achieve a breakthrough.

BUSINESS REVIEW

Looking back over 2024, the Company deepened its governance innovation. With strategic synergy, cost reduction and efficiency enhancement as its core, the Company optimized its organizational structure, enhanced operational efficiency, and strategically focused on resources. It significantly expanded its equity asset allocation, emphasizing technological empowerment, green transformation, healthcare, as well as opportunities in the Asia-Pacific region to construct a cross-cyclical and cross-regional diversified investment portfolio. The Company flexibly adjusted its investment strategy across multiple dimensions in the secondary market, achieved a two-way enhancement in capital allocation effectiveness and counter-cyclical resilience. Overall, the Company has gradually established a five-pronged business development path of "cost reduction and efficiency enhancement, risk elimination, precise investment, capacity reshaping and strategic positioning".

At the corporate governance level, the Company prioritized strategic transformation and operational efficiency enhancement to drive high-quality development through structural adjustment. On one hand, the Company implemented end-to-end cost reduction and efficiency enhancement on the operations side, integrated redundant office resources, and achieved systematic reductions in operating costs through site coordination. On the other hand, the Company adhered to the dynamic optimization and management of inventory on the asset side, established an asset efficiency assessment mechanism, accelerated clearance of underperforming assets and disposal of risky items, efficiently revitalized idle funds to release liquidity, and strengthened its resource reallocation capability. Meanwhile, the Company established a dynamic exit mechanism for non-core businesses, promoting the reallocation of resources to high-value segments through systematic assessment and structural abolition. In addition, the Company optimized human resource allocation, enhancing the stability and vitality of its core team through its share award plan, and simultaneously improving the staff training mechanism to bolster its talent pool. Cross-departmental collaboration processes were refined, the decision-making chain was improved, and a closed-loop management and control system of "strategy-execution-feedback" was established. This enabled refined management specificity and the comprehensive improvement in operational effectiveness, and provided organizational protection and efficient support for the high-quality development of the business.

At the investment business level, the Company adhered to a diversified investment strategy, focusing on high-growth areas and structural opportunities, and committed to building a cross-cycle, multi-track asset portfolio. In the financial technology sector, the Company focused on extending its business presence into the digital asset trading platforms, seizing the high-growth cycle of the industry, and actively promoting the value release of high-quality targets. In the new energy sector, the Company targeted clean energy technology solutions and accelerated value capture across the industry chain by leveraging the low-carbon transformation of global shipping and the upgrading of energy demand. Meanwhile, the Company was deeply committed to regional economic opportunities. It embraced the diversified growth momentum in Asia, strategically allocated capital to asset management platforms with differentiated competitiveness, strengthened business synergies in the fixed-income sector, established diversified sources of income, and explored opportunities for globalization and Asia-Pacific regional asset allocation. Additionally, the Company actively sought infrastructure notes as investment targets to enrich the variety and diversification of its fixed-income business. A four-in-one investment pattern of "technology empowerment + green transformation + regional cultivation+ alternative allocation" was established. This approach not only maintained strategic determination but also demonstrated tactical flexibility, promoting the simultaneous enhancement of operational quality and counter-cyclical capability.

At the secondary market level, the Company's investment strategy this year focused on achieving a dynamic balance of risk-return ratios. Positive equity investment performance was achieved by accurately navigating the market cycle, successfully reversing the loss for the same period last year. In particular, holdings of Hong Kong and United States underlying stocks were increased to strengthen geographical diversification. In the bond investment segment, the Company strategically shifted to high-quality investment grade issuers, realising risk exposure convergence and liquidity release, thereby effectively establishing a more robust portfolio. Overall, the formation of a three-dimensional investment pattern of "resilience driven by equity and fundamentals consolidated by bonds" demonstrated the Company's tactical execution and portfolio rebalancing ability in a volatile market environment, laying the foundation for continued enhancements in capital operations effectiveness.

At the financial performance level, in 2024, the Group achieved significant year-on-year growth in gain derived from its investment portfolio through strategic asset portfolio optimization and precise capital allocation. This was achieved despite narrowing interest and fee income caused by the decline in effective yield of debt investments, and the strategic contraction of fund management scales, and the impact of regional business portfolio adjustments. Leveraging the combination of systematic cost reduction and efficiency enhancement efforts with the divestment of underperforming assets and optimization of capital structure, the Group's net profit for the year amounted to approximately HK$223 million, successfully reversing the loss of the previous year. The Group will adhere to its strategy underpinned by the twin drivers of "high value asset allocation + agile cost management" , and continue to enhance its cross-cycle risk resilience through the dynamic asset-liability matching mechanism and a forward-looking stress testing system to build a strong financial foundation for sustainable shareholder value growth.

LOOKING AHEAD

Looking ahead to 2025, there are both challenges and opportunities for the global economy. From a risk perspective, the Trump administration's policy uncertainty and rising trade protectionism may disrupt the efficiency of global supply chains and the direction of investment. Additionally, the United States may slow interest rate cuts due to recurring inflation, exacerbating the risk of capital flow imbalances. However, from an opportunity perspective, loose liquidity driven by policy inertia in major economies will support global demand. As far as China is concerned, GDP growth is expected to maintain in a modest range of 4.5% to 5%, driven by solid fundamentals and new quality productive forces. Although Hong Kong's economy faces dual constraints from geopolitical conflicts and a weakening external demand cycle, it is expected to grow at a moderate pace of 2% to 3%, thanks to its position as a cross-border financial hub and the revival of domestic demand resulting from the declining interest rates.

Against the backdrop of divergent macroeconomic recovery dynamics and industrial restructuring, the Company will enhance its global asset allocation capability by relying on the three strategic pillars of "strategic resilience, risk control and regional value chain penetration".

At the strategic resilience level, the Company will adopt a "global vision + cross-cycle layout" as its core approach, continuing to enhance the dynamic iterative capability of its governance system, optimizing the structural balance of its asset portfolio, and anticipating and hedging against geopolitical and market liquidity risks. It will simultaneously implement the combined strategy of "proactively clearing out underperforming assets and accurately investing in strategic tracks", continuously improving the exit mechanism for non-core assets in conjunction with the asset efficiency assessment system. This will allow the Company to dynamically focus on high-potential areas, ensuring that resource allocation remains synergistic with long-term strategic objectives. By leveraging the strategic synergy of cross-border capital operation platforms and industrial integration tools, the Company will select quality targets with a focus on innovation and key values in emerging fields, thereby laying the foundation for cross-cycle resilience and strategic transitional linkage.

At the risk management and control level, the Company will strengthen the diversified allocation of assets and establish a multi-dimensional risk management framework. Furthermore, the Company will establish a comprehensive, business-wide internal control mechanism and an all-rounded risk management system to ensure compatibility between business development and standardized operations, providing support for the healthy and stable growth of its business.

At the regional enhancement level, the Company will focus on structural growth opportunities in the Asia Pacific region. Leveraging Hong Kong's competitive edge as an offshore hub, the Company will explore industrial upgrading in Southeast Asia's emerging markets, cross-border financial innovation in the Guangdong-Hong Kong-Macao Greater Bay Area in China, and healthcare and wellness demand driven by aging population. By connecting regional policies advantages with the demand for industrial upgrading the Company will form a regional linkage revenue network. In the industrial dimension, it will create a positive interaction between technological mergers and acquisitions as well as operation empowerment, constructing a progressive development path of "technological mergers and acquisitions — resource integration — ecological co-construction". This will enable the Company to achieve a composite layout of vertical extension and horizontal synergy within the industrial chain. In doing so, the Company will complete its transformation from financial investment to industrial value creation and build a cross-regional value transmission network.

The three strategic pivots are synergistic with each other and will provide solid support for the Company's global market layout. By enhancing its global asset allocation capability, the Company will achieve risk diversification across different markets and asset categories, mitigating the impact of volatility in any single market. Meanwhile, the diversified asset allocation strategy will help the Company achieve high-quality, sustainable development goals and align with coordinated economic, social and environmental development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2024, the consolidated revenue of the Group was approximately HK$109,392,000 (2023: HK$114,385,000), representing a slightly decrease of approximately 4% as compared with the corresponding year in 2023, mainly due to decrease in interest income arising from reduction in effective yield of certain debt investments for the year under review.

The analysis of the Group's total revenue recognised in the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023 is as follows:

	2024 HK$'000	2023 HK$'000	Change
Interest income	62,400	76,241	(18%)
Commission and fee income	21,036	26,760	(21%)
Investment income	25,956	11,384	128%
Total revenue	109,392	114,385	(4%)

The Group recorded a profit of approximately HK$223,196,000 for the year ended 31 December 2024, as compared to a loss of HK$23,561,000 for the year ended 31 December 2023. The turnaround to profit was mainly attributable to a significant net gain on investments of approximately HK$436,481,000 for the year ended 31 December 2024 as compared to a net gain of HK$81,810,000 for the year ended 31 December 2023. The effect of the aforesaid factor is partially offset by an increase in staff costs and related expenses for the year ended 31 December 2024 as compared to 2023.

The table below presents the breakdown of segment revenue (including net gain on financial assets/liabilities) and reportable segment results for the years ended 31 December 2024 and 2023:

	Segment revenue and net gain on financial assets/liabilities		Segment results	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Asset management	14,991	17,259	3,656	(4,383)
Securities brokerage	9,167	7,697	(31,350)	(3,972)
Investment holding	501,681	149,016	456,378	57,613
Total	525,839	173,972	428,684	49,258

Asset management segment

The Group's asset management business represents the provision of asset management services to clients. The Group's asset management segment recorded revenue of approximately HK$15.0 million for the year ended 31 December 2024 as compared to HK$17.3 million for the year ended 31 December 2023 and profit of approximately HK$3.7 million for the year ended 31 December 2024 as compared to a loss of HK$4.4 million for the year ended 31 December 2023. The decrease in segment revenue was primarily due to the decrease in asset management fee income arising from the reduction of average aggregated net value of assets under management, while the turnaround from loss to profit was mainly due to the decrease in segment operating costs during the year under review.

Securities brokerage segment

The Group's securities brokerage business mainly includes the provision of brokerage services, securities margin financing to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital market, financial advisory and financial arrangement services to clients. For the year ended 31 December 2024, the revenue contributed by the securities brokerage segment increased to approximately HK$9.2 million, while the loss increased to approximately HK$31.4 million, as compared to the revenue and loss of HK$7.7 million and HK$4.0 million, respectively, for the year ended 31 December 2023. The increase in segment revenue was mainly due to the increase in interest income from margin financing, while the increase in loss was principally attributable to the provision of impairment on margin receivables during the year under review.

Investment holding segment

The Group's investment holding business mainly represents direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

The Group's investment holding segment recorded revenue (including net gain on financial assets/liabilities) of approximately HK$501.7 million for the year ended 31 December 2024 as compared to HK$149.0 million for the year ended 31 December 2023 and profit of approximately HK$456.4 million for the year ended 31 December 2024 as compared to HK$57.6 million for the year ended 31 December 2023. The increase in segment revenue and results was mainly due to the net impact of (i) net gain on financial assets/liabilities of approximately HK$436.5 million recorded for the year ended 31 December 2024 as compared to HK$81.8 million recorded for the year ended 31 December 2023 as a result of the increase in fair value of certain unlisted investments and listed equity and debt investments; (ii) a decrease in provision of impairment of financial assets as a result of slowdown in incline of credit and default risk of debt investments for the year under review; and (iii) partially offset by a decrease in interest income arising from reduction in effective yield of certain debt investments.

The total operating costs (including staff costs, premises expenses, legal and professional fees, depreciation, information technology expenses, finance costs, trading costs and other operating costs) for the year ended 31 December 2024 was approximately HK$217,822,000 (2023: HK$146,906,000), representing an increase of approximately 48.3% which was primarily due to the increase in staff costs arising from share-based payment expense and partially offset by the effective cost control measures implemented by the Group on the overall operating expenses for the year ended 31 December 2024.

On financial position and cash flows:

— the Group's total assets were approximately HK$4,729,696,000 as at 31 December 2024 (as at 31 December 2023: HK$4,318,496,000), representing an increase of approximately 9.5%; and

— net cash (outflows)/inflows from operating activities, investing activities and financing activities were approximately HK$(218,525,000), HK$(8,114,000) and HK$(29,024,000) respectively for the year ended 31 December 2024 (2023: HK$(313,122,000), HK$(27,023,000) and HK$17,921,000 respectively).

Key financial and business performance indicators

The key financial and business performance indicators of the Group are comprised of profitability; loan receivables; impaired loan receivables to total loan receivables ratio; and gearing ratio.

The Group recorded a profit attributable to owners of the Company of approximately HK$222,816,000 for the year ended 31 December 2024 as compared to a loss of HK$24,834,000 for the year ended 31 December 2023.

Loan and interest receivables balance arising from lending business decreased to approximately HK$118,175,000 as at 31 December 2024 (as at 31 December 2023: HK$209,886,000).

Based on HKFRS 9 ECL assessment on margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables and other interest receivables, the Group recognised an aggregate ECL allowance of approximately HK$39,179,000 in consolidated statement of profit or loss for the year ended 31 December 2024 (2023: HK$49,389,000). ECL allowances to total margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables and other interest receivables ratio was approximately 71.4% as at 31 December 2024 (as at 31 December 2023: 76.9%). The Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its loan receivables and to take prompt actions to pursue loans recovery regarding potential problem credits.

As at 31 December 2024, the Group's gearing ratio (defined as total debt to total equity) was 0% (as at 31 December 2023: 0.7%). The Group strives to achieve appropriate leverage level in order to grow its business effectively, and at the same time continues to monitor its liquidity prudently, manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's cash and bank balances amounted to approximately HK$419,733,000 (as at 31 December 2023: HK$689,636,000). The current ratio as at 31 December 2024 was approximately 414.1% (as at 31 December 2023: 489.5%), which indicated that the Group's overall financial position remained strong.

The Directors are of the opinion that there are sufficient financial resources for the Group to meet its obligations and business requirements.

OPERATIONAL REVIEW

Funding, capital structure and capital management

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable costs to meet all contractual financial commitments and to generate reasonable returns from available funds. The Group has implemented adequate measures to monitor the liquidity for business operations and any investment opportunities, and the foreseeable funding requirements to ensure certain subsidiaries of the Company continuously comply with the relevant rules and regulations.

The Group relies principally on its share capital, internally generated capital and other borrowings to fund its investments and loan lending business. The Group had no interest-bearing borrowings as at 31 December 2024 (as at 31 December 2023: HK$27,639,000 in the form of repurchase agreements). Based on the level of total debt to total equity of the Group, the Group's gearing ratio stood at a healthy level of 0% as at 31 December 2024 (as at 31 December 2023: 0.7%). During the year under review, the Group's borrowings were mainly denominated in US dollars and had a remaining average maturity period of less than one year. The Group's cash and cash equivalents were mainly denominated in Hong Kong dollars, US dollars, Renminbi, Japanese Yen and Canadian dollars. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the year under review. Details of the Group's borrowings are set out in note 28 to the consolidated financial statement.

Asset quality and credit management

The Group will continue to manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management. Based on HKFRS 9 ECL assessment on loan and interest receivables, margin receivables, financial assets at amortised cost, debt instruments at fair value through other comprehensive income, other trade receivables and other interest receivables, the Group recognised a provision for/(reversal of) ECL allowances of approximately HK$234,000, HK$34,021,000, HK$(1,113,000), HK$(796,000), HK$Nil and HK$6,833,000 respectively in consolidated statement of profit or loss for the year ended 31 December 2024 (2023: HK$3,044,000, HK$Nil, HK$4,187,000, HK$31,450,000, HK$2,800,000 and HK$7,908,000 respectively).

Furthermore, the Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its financial assets. Further, the Group's investments and cash and bank balances are placed with a diversified portfolio of reputable financial institutions.

Human resources management

The objective of the Group's human resources management is to reward and recognise well performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group. Staff enrolled in external training courses, seminars, professional and technical courses in order to update their technical knowledge and skills, to increase their awareness of the market developments, and to improve their management and business skills.

EXPOSURE TO EXCHANGE RATE FLUCTUATION AND RELATED HEDGING

The Directors consider that the Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in foreign currencies other than its functional currency, which is Hong Kong dollars. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency should the need arises.

STAFF AND REMUNERATION POLICY

As at 31 December 2024, the Group had 48 employees (as at 31 December 2023: 64 employees).

The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management.

CHARGES ON THE GROUP'S ASSETS

The analysis of the charge on Group's assets is as follows:

	2024 **HK$'000**	2023 HK$'000
Financial assets at fair value through profit or loss	–	75,233
Total charges on Group's assets	–	75,233

As at 31 December 2024, the Group did not have any charges on Group's assets. As at 31 December 2023, certain bonds classified as financial assets at fair value through profit or loss were pledged as collateral for the Group's borrowings.

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities as at 31 December 2024 and 2023 are set out in note 33 to the consolidated financial statements.

CAPITAL COMMITMENTS

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitment as at 31 December 2024 amounted to approximately HK$12,292,000 (as at 31 December 2023: HK$260,656,000).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

After trading hours of the Stock Exchange on 27 September 2024, the Company as warrantor and CM Strategic Investment Management Holding Limited (an indirect wholly-owned subsidiary of the Company) as purchaser ("Purchaser") entered into two sale and purchase agreements with each of TW One Limited ("Vendor A") and Darth Holdings Limited ("Vendor B") (as vendors) respectively, pursuant to which Vendor A agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of Templewater One Limited ("Target Company A"), and Vendor B agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of Mighty Commander Limited ("Target Company B", together with Target Company A, the "Target Companies").

The Target Companies are special purpose vehicles of the Vendors, respectively, with each of their principal assets being investments in the approximately 15,775 class B shares in SC Lowy Partners (Cayman) Ltd. (a company incorporated in the Cayman Islands with limited liability) in aggregate.

The aggregate consideration payable by the Company to the Vendors was US$23,500,000 (equivalent to approximately HK$183.3 million) and had been satisfied as to (i) US$7,050,000 (equivalent to approximately HK$55.0 million) in cash; and (ii) US$16,450,000 (equivalent to approximately HK$128.3 million) by way of the allotment and issue of the 2,467,500,000 consideration shares by the Company.

On 7 October 2024, such 2,467,500,000 consideration shares were allotted and issued at the issue price of HK$0.052 per consideration share under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting of the Company held on 28 June 2024, and ranked *pari passu* in all respects among themselves and with the ordinary shares of the Company in issue on the date of such allotment and issue.

For details, please refer to the Company's announcement dated 27 September 2024 and published on 29 September 2024.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed elsewhere in this annual report, the Group currently does not have any concrete plan for material investments or capital assets.

SIGNIFICANT INVESTMENTS

As at 31 December 2024, the Group had investments in financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost with an aggregate carrying amount of approximately HK$3,884,608,000 (as at 31 December 2023: HK$2,839,406,000). The details of significant investments (each of which with carrying value more than 5% of the total assets of the Group) as at 31 December 2024 are as follows:

Name of investee company/fund	Nature of investments	Investee's principal businesses	Number and percentage of shares/ units held	Investment costs HK$000	Fair value/ Carrying value as at 31 December 2024 HK$000	Percentage of Group's total assets as at 31 December 2024	Unrealised gain/(loss) on change in fair value for the year ended 31 December 2024 HK$000	Realised gain/(loss) for the year ended 31 December 2024 HK$000
eToro Group Ltd.	Investment in unlisted preferred shares^	Social investment trading network	1,196,438 (6.14%)	385,508	1,589,904	33.6%	411,929	–
Wison New Energies Co., Ltd. (formerly known as Wison (Nantong) Heavy Industry Co., Ltd.)	Investment in unlisted shares^	Marine engineering	142,732,048 (4.65%)	298,167	399,245	8.4%	57,076	–

^ Classified as financial assets at fair value through profit or loss

To the best knowledge of the Company, the investee companies as disclosed in the significant investments above, including Wison New Energies Co., Ltd. which is the affiliate of a minority shareholder of the Company's major shareholder, are not connected persons of the Company.

The Group's investment objective is to increase the value of its investment holding business in order to enhance returns for its shareholders. Through a risk-balanced investment strategy of targeting an appropriate mix of different types of investment instruments in its portfolio, including but not limited to listed equity securities which provide liquidity and capital appreciation, debt securities and interest-bearing instruments which provide recurring and stable stream of interest income, and unlisted equity and fund investments which provide a potential higher return in a medium to long term horizon, the Group seeks not only to widen its source of revenue, but also to achieve risk adjusted return in its overall investment portfolio.

Looking ahead, the stock market is expected to remain volatile. The performance of proprietary investment will be affected by unstable market conditions. The Group will continue to implement strict risk controls to minimise the impact of market volatility and will seek potential investment opportunities to diversify its investment portfolio with an aim to maximise value for the shareholders of the Company.

QUALIFIED OPINION

As set out in the Company's annual report for the year ended 31 December 2023 (the "2023 Annual Report"), the auditor of the Company (the "Auditor") issued a qualified opinion in the independent auditor's report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2023. Further information regarding the qualified opinion last year was set out on pages 73 to 80 of the 2023 Annual Report. The Auditor issued a qualified opinion in the independent auditor's report relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2024. In view of the qualified opinion, the Board would like to provide the following information.

(i) Audit modification on investment in an unlisted fund (the "Fund F")

Details of the modification

As stated in the independent auditor's report set out on pages 75 to 81 of this report, given the lack of sufficient appropriate audit evidence to evaluate the value of underlying assets of the Fund F as at 31 December 2023, the Auditor was unable to determine whether any adjustments to the carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment recognised during the years ended 31 December 2024 and 2023 in respect of the Fund F were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2024.

Management's position and assessment on the modifications

The fair value of the Fund F as at 31 December 2023 was reference to the net assets value approach based on the capital statement as at 31 December 2023 provided by the external fund manager. The Group considered that the basis applied in the fair value assessment of the Fund F represented the best estimate.

During the year ended 31 December 2024 and up to the date of this report, the Group has obtained necessary financial information and valuation in relation to the underlying assets of the Fund F from the external fund manager. The Group considered that the carrying value of the investment in the Fund F was properly stated as at 31 December 2024. The Group would like to emphasize that the carrying amount of investment in the Fund F as at 31 December 2024 was not qualified. The Group would continue to implement all possible actions to safeguard the investment in the Fund F.

(ii) Audit Committee's view on the modifications

The audit committee of the Company (the "Audit Committee") was of the view that the qualified opinion for the year ended 31 December 2024 was a consequential effect of the qualified opinion relating to the audit of the consolidated financial statements of the Group for the year ended 31 December 2023 on the comparative figures and the opening balances. The Audit Committee also reviewed the matters after discussion with the Auditor and the management, and confirmed that it agreed with the management's position and assessment on the qualified opinion.

It is understood from the Auditor that the qualified opinion will continue to have an impact on the corresponding figures (i.e. for the year ended 31 December 2024) for the consolidated financial statements of the Group for the year ending 31 December 2025. Accordingly, it is expected that there will be no longer any qualified opinion in the consolidated financial statements of the Group for the year ending 31 December 2026.

REPORT OF THE DIRECTORS

The Directors are pleased to present their report and 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 include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The Group's revenue is mainly derived from business activities in Hong Kong, Mainland China, Japan and Canada. An analysis of the Group's revenue is set out in note 6 to the consolidated financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2024 are set out in note 18 to the consolidated financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various key risks including credit risk, interest rate risk, liquidity risk, operational risk and market risk. Details of the aforesaid key risks and risk mitigation measures are elaborated in note 3 "Financial Risk Management" to the consolidated financial statements included in this annual report.

The Group's long term profitability and business growth are affected by the volatility and uncertainty of macroeconomic conditions (including but not limited to gross domestic product growth, consumer and asset price levels, and credit demand), financial volatility (exacerbated by the recent tariff threats and divergent monetary policies of United States and other countries), and uncertain economic outlook and political conditions of Hong Kong, Mainland China, United States, Eurozone, Japan, Canada and other countries. The divergence of monetary policies in major advanced economies is expected to continue to contribute partly to the volatility of fund and trade flows and that of asset prices and economic growth momentum in Hong Kong and Mainland China. Financial risk could quickly spill over from one nation to another given their increasing economic and political ties amongst each other. In particular, the potential impact on economic activities and on property, stock and debt prices of Hong Kong are subject to political and economic developments of Mainland China, United States, Eurozone, Japan, Canada and other countries.

Impact of Local and International Regulations

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

Third-Party Risks

The Group has been relying on third-party service providers in parts of its business to improve the performance and efficiency of the Group. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputable third-party providers and closely monitors their performance.

BUSINESS REVIEW

A fair review of the Group's business and its outlook are set out in the section headed "Management Discussion and Analysis". The significant events affecting the Group since the end of the financial year under review are set out in the paragraph headed "Significant Events After the Reporting Period" of this section.

The Group complies with the requirements under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and ordinances relating to occupational safety for the interest of employees of the Group.

The Group is committed to raising environmental awareness among its staff, partners, and stakeholders. It implemented energy saving practices in certain office premises. For example, the Group runs an internal recycling program on a continuous basis for consumable goods such as toner cartridges to minimise the impact on the environment and natural resources. The Group has taken the initiative to reduce energy use and waste, to use environmentally friendly products and aims to lead by example.

Going green will always continue to be a key focus for the Group. Green plants are kept in office and plant care service provider is responsible to take care of the plants every week. The Group currently uses and will continue to install lighting fixtures with LED lighting or T5 fluorescent tubes. Indoor temperature is maintained at 25°C to save energy.

The Group will review its environmental policies from time to time and will consider further eco-friendly practices in the operation of the Group's businesses to move towards enhancing environmental sustainability.

Further discussions on the Group's environmental policy and our relationship with various stakeholders are covered by the "Environmental, Social and Governance Report" section on pages 51 to 74 of this annual report.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND BUSINESS PARTNERS

The Group recognises the accomplishment of the employees by providing comprehensive benefit packages, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with business partners to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to business partners before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including the usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

REPORT OF THE DIRECTORS

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 82 to 83 of this annual report.

The Directors do not recommend the payment of dividend in respect of the year ended 31 December 2024 (2023: HK$Nil).

ANNUAL GENERAL MEETING

The 2025 annual general meeting (the "2025 AGM") is expected to be held in June 2025. A further announcement in relation to the date of the 2025 AGM and the closure of the register of members will be published on the websites of the Company and the Stock Exchange in accordance with the Listing Rules.

SHARES CAPITAL

Details of the shares are set out in note 29 to the consolidated financial statements.

RESERVES

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

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2024, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong), amounted to HK$Nil (2023: HK$Nil).

DONATIONS

During the year ended 31 December 2024, no charitable and other donations were made by the Group (2023: HK$Nil).

FIVE YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, are summarised on page 176 of this annual report.

DIRECTORS OF THE COMPANY

The Directors who held office during the year and up to the date of this report were:

Executive Directors

Li Feng
Xie Fang (Appointed on 22 March 2024)
Cao Jianmei (Appointed on 13 December 2024)
Du Lina (Appointed as Acting Chairperson on 22 February 2024, appointed as Chairperson on 22 March 2024 and resigned as Chairperson and Executive Director on 8 April 2024)
Lin Le (Resigned as Chairperson and Executive Director on 21 March 2024)

Non-executive Directors

Ng Kian Guan *(Chairman)* (Appointed as Chairman and Non-executive Director on 8 April 2024)
Huang Yan (Appointed on 19 April 2024 and retired on 28 June 2024)
Zhang Boyang (Resigned on 8 April 2024)

Independent Non-executive Directors

Cheng Tai Sheung (Appointed on 8 March 2024 and designated as Lead Independent Non-executive Director on 21 January 2025)
Ko Ming Tung, Edward (Appointed on 22 March 2024)
Sun Junchen (Appointed on 22 March 2024)
Wong Ka Wai (Appointed on 22 March 2024)
Zhou Hui (Resigned on 22 March 2024)
Dong Hao (Resigned on 13 March 2024)
Wen Yuanhua (Resigned on 13 March 2024)
Jin Mingming (Appointed on 8 March 2024 and resigned on 13 March 2024)

The persons who were directors of the subsidiaries of the Company during the year and up to the date of this report (not including those Directors listed above) were:

Cheng Song Guo (Resigned on 23 August 2024)
Guo Yifan
Kong Suet Long
Lam Chi Chung
Lau Hoi Leung
Leung Cheuk Ho
Leung Man Chak
Liu Junliang
Lu Zheng Xiong (Resigned on 22 August 2024)
Lui Siu Man
Mak Tsz Yeung (Resigned on 31 March 2025)
So Wai Lun
Takuya Komuro (Resigned on 28 October 2024)
Tomohiko Watanabe (Resigned on 28 October 2024)
Xie Fang
Zeng Jin (Terminated on 9 April 2024)
Zhang Miaoyao (Resigned on 14 May 2024)
Zhao Zhaoran (Appointed on 3 June 2024)

Biographical Details of Directors and Senior Management

Biographical Details of Directors and Senior Management are set out on pages 48 to 50 of this annual report.

INDEPENDENCE CONFIRMATION

The Company has received, from each of the independent non-executive Directors, namely Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai a confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and the Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

For the executive Directors, Mr. Li Feng entered into a service contract with the Company for an initial term of three years with effect from 15 March 2022. Mr. Xie Fang entered into a service contract with the Company for an initial term of three years with effect from 22 March 2024. Ms. Cao Jianmei entered into a service contract with the Company for an initial term of three years with effect from 13 December 2024. For the non-executive Director, Mr. Ng Kian Guan entered into a service contract with the Company for a term of three years with effect from 8 April 2024. For the independent non-executive Directors, Mr. Cheng Tai Sheung entered into an appointment letter with the Company for a term of three years with effect from 8 March 2024. Each of Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai entered into an appointment letter with the Company for a term of three years with effect from 22 March 2024.

No Director proposed for re-election at the 2025 AGM has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at 31 December 2024, the interests or short positions of each Director or chief executive of the Company in the shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (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 Part XV of the SFO or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") under the Listing Rules, are set out below:

1. Aggregate long position in the shares, underlying shares and debentures of the Company and its associated corporations

Name of Director	Number of ordinary shares held Personal interests	 Corporate interests	Total	Approximate percentage of the issued share capital *(Note (a))*
Li Feng *(Executive Director)*	289,280,000	–	289,280,000	0.78%
Xie Fang *(Executive Director)*	288,030,000	–	288,030,000	0.77%

Note:

(a) The percentage was calculated based on the total number of 37,181,959,250 ordinary shares of the Company in issue as at 31 December 2024.

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

2. Aggregate short position in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2024, none of the Directors or chief executive of the Company, had any short position in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered during the year or subsisting at the end of the year are set out below:

Share Award Plan

On 19 December 2018, the Company adopted a share award plan ("Share Award Plan"). The purpose of the plan is to recognise and reward the contributions of certain eligible participants to the growth and development of the Group and to give incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Details of the Share Award Plan are set out below in accordance with Rule 17.09 of the Listing Rules:

Purpose of the Share Award Plan:	The purposes of the Plan are to recognise and reward the contribution of Eligible Participants (as defined below) to the growth and development of the Group, to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.
Eligible Participants:	Any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity (an "Employee"); any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group or any Invested Entity; and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the Share Award Plan, the Award may be made to any company wholly owned by one or more of the above participant. The eligibility of any of the Eligible Participants to an Award shall be determined by the Board from time to time on the basis of the Board's opinion as to his contribution and/or future contribution to the development and growth of the Group.

Maximum entitlement of each Eligible Participant:	The maximum number of shares which may be subject to an award or awards to a Selected Participant shall not in aggregate exceed 1% of the issued share capital of the Company as at 19 December 2018 (the "Adoption Date").
Maximum number of shares to be subscribed and/or purchased by the trustee pursuant to the Share Award Plan:	2,892,871,925 shares, representing approximately 7.78% of the issued share capital of the Company as at the date of this annual report.
Basis of determination of the purchase price of the shares awarded:	The purchase price of the shares awarded (if any) shall be such price within a range as determined by the Board, or the person(s) to which the Board has delegated its authority from time to time based on various consideration factors such as the prevailing market conditions as well as the average closing price of the shares of the Company in the recent period.
Number of share awards available for grant under the scheme mandate as at 1 January 2024:	2,888,291,925 share awards
Number of share awards available for grant under the scheme mandate as at 31 December 2024:	1,157,461,925 share awards
The amount payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be paid:	Nil
Remaining life of the Share Award Plan:	The Share Award Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date. Accordingly, as at the date of the report, the remaining life of Share Award Plan is approximately 3 years and 9 months.

During the year ended 31 December 2024, an aggregate of 1,730,830,000 awarded shares were granted to awardees under the Share Award Plan, all of which were immediately vested upon grant. No awarded shares were lapsed/forfeited/cancelled during the year ended 31 December 2024. The fair value of shares granted amounting to approximately HK$84,461,000 was determined based on the quoted market price of the shares at the date of grant and was recognised as share-based payment expense in profit or loss during the year ended 31 December 2024.

The table below sets out details of share awards granted to various Eligible Participants/categories of participants under the Share Award Plan:

Category of Eligible Participants	Number of Shares granted and unvested as at 1 January 2024	On 9 April 2024			On 21 June 2024			Number of Shares granted and unvested as at 31 December 2024
		Number of Shares granted and vested *(Note 1)*	Closing price of Shares immediately before the date of grant (HK$)	Purchase price (HK$)	Number of Shares granted and vested *(Note 1)*	Closing price of Shares immediately before the date of grant (HK$)	Purchase price (HK$)	
Directors								
Mr. Li Feng	–	288,030,000	0.043	Nil	–	–	–	–
Mr. Xie Fang	–	288,030,000	0.043	Nil	–	–	–	–
Top five highest paid employees (other than Directors)	–	626,200,000	0.043	Nil	210,570,000	0.068	Nil	–
Other employees	–	318,000,000	0.043	Nil	–	–	–	–

Notes:

1. No performance target was attached to these Awards and all the Awards were immediately vested upon grant. All the Awards were satisfied by existing Shares.

2. The weighted average closing price of the Shares immediately before the dates on which the Awards were vested were HK$0.046 per Share.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Apart from the particulars disclosed in note 35 under the heading "Related Party Transactions" to the consolidated financial statements, there were no transaction, arrangement and contract of significance in relation to the Group's business to which the Company's holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director and the director's connected party had a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in note 35 to the consolidated financial statements.

Provision of fund management services to JBC Fund I

On 15 March 2021, JBC Holdings Co., Ltd. ("JBC") became a connected subsidiary of the Company through subscription of 8,648 ordinary shares of JBC by Vered Holdings Co., Ltd. ("Vered Japan"), an indirect wholly-owned subsidiary of Vered Holdings (a substantial shareholder of the Company) (the "Subscription"). Following completion of the Subscription, JBC is owned as to approximately 50.997% by China Vered Asset Management (Hong Kong) Limited (a wholly-owned subsidiary of the Company) ("CVAM") and approximately 49.003% Vered Japan.

JBC, as an executing partner, has been charging management fees in return for the management services provided to JBC Fund I (the "Fund") pursuant to the investment partnership agreement dated 24 March 2020 between CVAM Japan Strategy Limited (a wholly-owned subsidiary of the Company) ("CVJS") and JBC (the "Investment Partnership Agreement"). The provision of management services under the Investment Partnership Agreement to the Fund by JBC as executing partner and the payment of management fees by the Fund to JBC constitutes a continuing connected transaction under Rules 14A.25 and 14A.31 of the Listing Rules.

CVJS and JBC entered into a side letter on 15 March 2021 that notwithstanding the terms set out in the Investment Partnership Agreement, CVJS and JBC shall enter into separate agreement for renewal of fund management service for the Fund beyond 31 December 2023. For details, please refer to the announcements of the Company dated 15 March 2021 and 19 March 2021.

During the year ended 31 December 2024, CVJS and JBC entered into a side-letter (the "Side Letter"), pursuant to which the parties agreed to appoint JBC as the executing partner of the Fund for the three years ending 31 December 2026, and agreed to reduce the management fee payable to JBC from 1.5% of the total capital commitment to 0.5% of the deployed capital of the Fund with effect from 1 November 2024. Following the entering into of the Side Letter, the provision of management services constituted de minimis transactions of the Company and was therefore fully exempt from reporting, annual review, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Connected Transactions

During the year ended 31 December 2024, the related-party transactions described in note 35 to the consolidated financial statements do not constitute non-exempted connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules and have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate Directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in note 12 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2024, so far as was known to the Directors, the following persons, other than the Directors and chief executives of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Approximate percentage of the issued share capital *(Note (f))*
薔薇控股股份有限公司 ("Vered Holdings")	Interest of controlled corporation *(Note (a))*	10,043,000,000	27.01%
薔薇控股(深圳)有限公司	Interest of controlled corporation *(Note (a))*	10,043,000,000	27.01%
Vered Holdings (Hong Kong) Limited ("Vered Hong Kong")	Interest of controlled corporation *(Note (a))*	10,043,000,000	27.01%
Vered Investment Co., Ltd ("Vered Investment")	Interest of controlled corporation *(Note (a))*	10,043,000,000	27.01%
Vered Holdings Group Ltd ("Vered Cayman")	Beneficial owner *(Note (a))*	10,043,000,000	27.01%
Liu Xueyi	Interest of controlled corporation *(Note (b))*	5,034,511,390	13.54%
Prosper Ascend Limited	Beneficial owner *(Note (b))*	5,034,511,390	13.54%
中國民生投資股份有限公司 ("CMIG")	Interest of controlled corporation *(Note (c))*	3,502,618,610	9.42%
中民投亞洲資產管理有限公司 ("CMI Asia")	Interest of controlled corporation *(Note (c))*	3,502,618,610	9.42%

Name	Capacity in which ordinary shares were held	Number of ordinary shares	Approximate percentage of the issued share capital *(Note (f))*
CMI Financial Holding Company Limited ("CMIHK")	Beneficial owner *(Note (c))*	3,502,618,610	9.42%
Shao Jinxia	Interest of controlled corporation *(Note (d))*	3,500,000,000	9.41%
Hong Kong Baohui Toda Limited	Beneficial owner *(Note (d))*	3,500,000,000	9.41%
Zhang Kun	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Sidious Empire Limited	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Investec plc	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Investec 1 Limited	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Investec Bank Plc	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Templewater Holdings Limited ("THL")	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
Templewater I, G.P.	Interest of controlled corporation *(Note (e))*	2,144,100,000	5.77%
TW One Limited	Beneficial owner *(Note (e))*	2,144,100,000	5.77%

Notes:

(a) 10,043,000,000 shares were held by Vered Cayman, which is wholly owned by Vered Investment, and which in turn is wholly owned by Vered Hong Kong. Vered Hong Kong is wholly owned by 薔薇控股(深圳)有限公司, which in turn is wholly owned by Vered Holdings.

(b) 5,034,511,390 shares were held by Prosper Ascend Limited, which is wholly owned by Mr. Liu Xueyi. By virtue of the SFO, Mr. Liu Xueyi was deemed to have interest in the shares held by Prosper Ascend Limited.

(c) 3,502,618,610 shares were held by CMIHK, which is wholly owned by CMI Asia (which is in turn wholly owned by CMIG).

(d) 3,500,000,000 shares were held by Hong Kong Baohui Toda Limited, which is wholly owned by Mr. Shao Jinxia. By virtue of the SFO, Mr. Shao Jinxia is deemed to have interest in the shares held by Hong Kong Baohui Toda Limited.

(e) 2,144,100,000 shares were held by TW One Limited, which is wholly owned by Templewater I, G.P., and which in turn is wholly owned by THL. Each of Investec Bank Plc and Sidious Empire Limited owned 50% interest in THL. Sidious Empire Limited is wholly owned by Zhang Kun. Investec Bank Plc is wholly owned by Investec 1 Limited, and which in turn is wholly owned by Investec plc.

(f) The percentage has been calculated based on the total number of 37,181,959,250 ordinary shares of the Company in issue as at 31 December 2024.

Save as disclosed above, the Directors and the CEO are not aware that there is any party who, as at 31 December 2024, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Award Plan" and "Directors' and Chief Executives' Interests and/or Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Specified Undertaking of the Company or Any Other Associated Corporation" above, at no time during the year ended 31 December 2024 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporates.

MANAGEMENT CONTRACTS

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

RETIREMENT BENEFITS

Mandatory Provident Fund Schemes ("MPF Scheme") has been set up for employees, including executive Directors of the Company, in Hong Kong, in accordance with the Mandatory Provident Fund Scheme Ordinance (the "MPF Ordinance"). Under the MPF Scheme, the Group's contributions are at 5% of employees' relevant income as defined in the MPF Ordinance up to a maximum of HK$1,500 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

COMPETING INTERESTS

None of the Directors and their respective close associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year ended 31 December 2024 and up to the date of this report.

EMOLUMENT POLICY

The emolument policy of the Directors and senior management of the Group is set up by the remuneration committee of the Company (the "Remuneration Committee") on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to market competitiveness, individual performance and achievement.

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

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the revenue attributable to the five largest customers of the Group accounted for approximately 46.68% of the Group's total revenue while the revenue attributable to the largest customer of the Group was approximately 14.87% of the Group's total revenue. The Group is a provider of financial services. In the opinion of the Board, it is therefore of no value to disclose details of the Group's suppliers.

Save as disclosed above, none of the Directors or any of their close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers or suppliers.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" section of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2024 and up to the latest practicable date prior to the issue of this annual report, there was a sufficiency of public float the Company's securities as required under the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the Board proposed to implement the share consolidation on the basis that every twenty (20) issued existing shares ("Existing Shares") be consolidated into one (1) consolidated share ("Consolidated Share" and "Share Consolidation", respectively). The Board also proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed ("Board Lot Size Change") from 10,000 Existing Shares to 5,000 Consolidation Shares.

As part of the business to be transacted at the 2025 AGM, the 2025 AGM is expected to be convened and held in June 2025 for the shareholders of the Company to consider and, if thought fit, approve the Share Consolidation. Details of the Share Consolidation and Board Lot Size Change are contained in the Company's announcement of "Proposed Share Consolidation and Proposed Change In Board Lot Size" dated 28 March 2025.

Saved as disclosed above, as of 31 December 2024 and up to the date of this annual report, there are no other significant events occurred after the reporting period that may affect the Group.

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes of Directors' information since the disclosure made in the annual report of the Company for the year ended 31 December 2023 are set out below.

Name of Director	Details of Changes
Mr. Li Feng	Mr. Li's annual remuneration as chief executive officer of the Company ("CEO") has been revised to HK$3 million with effect from 1 April 2024. Mr. Li entered into an employment agreement with the Company in respect of his employment as CEO for an initial fixed term of three years with effect from 1 April 2024.
Mr. Xie Fang	Mr. Xie's annual remuneration as chief risk officer of the Company ("CRO") has been revised to HK$2.3 million with effect from 1 April 2024. Mr. Xie entered into an employment agreement with the Company in respect of his employment as CRO for an initial fixed term of three years with effect from 1 April 2024.
Mr. Ng Kian Guan	Mr. Ng was appointed as a non-executive Director, chairman of the Board, chairman of the nomination committee of the Company (the "Nomination Committee") and an authorised representative of the Company with effect from 8 April 2024. Mr. Ng has been appointed as an independent non-executive director of Hong Lai Huat Group Limited, a company listed on the Singapore Exchange, with effect from May 2024.
Mr. Sun Junchen	Mr. Sun resigned as the vice president of investment development at Newborn Town Inc., a company listed on the Stock Exchange (Stock Code: 9911), with effect from 12 April 2024.
Mr. Wong Ka Wai	Mr. Wong resigned as an independent non-executive director of Jujiang Construction Group Co., Ltd., a company listed on the Stock Exchange (Stock Code: 1459), with effect from 11 June 2024.
Mr. Cheng Tai Sheung	Mr. Cheng has been designated as lead independent non-executive Director with effect from 21 January 2025.
Ms. Cao Jianmei	Ms. Cao was appointed as executive Director with effect from 13 December 2024. Ms. Cao has been appointed as a member of the Nomination committee with effect from 21 January 2025.

AUDITOR

Since 8 November 2022, the Company's auditor has been changed from PricewaterhouseCoopers to Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited). For details, please refer to the Company's announcement dated 20 October 2022. Apart from the above disclosure, the Company has not changed its auditor in the past three years.

The financial statements for the year ended 31 December 2024 have been audited by Forvis Mazars CPA Limited ("Forvis Mazars") who will retire and, being eligible, offer themselves for re-appointment. An ordinary resolution for the re-appointment of Forvis Mazars as auditor of the Group will be proposed at the forthcoming 2025 AGM.

AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. As at the date of this report, the Audit Committee comprised Mr. Wong Ka Wai (Chairman of the Audit Committee), Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward and Mr. Sun Junchen.

An Audit Committee meeting was held on 28 March 2025 and attended by the four members of the Audit Committee, who have reviewed the consolidated financial statements of the Group for the year ended 31 December 2024.

By order of the Board
China Vered Financial Holding Corporation Limited
Ng Kian Guan
Chairman

Hong Kong, 28 March 2025

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

Reference is made to the announcement of the Company dated 13 March 2024 (published on 14 March 2024) in relation to the resignation of independent non-executive Directors. Following the resignation in the Board members as disclosed in the announcement, the Company had (i) only two independent non-executive Directors, which was below the minimum requirement of at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (ii) an audit committee of the Company with fewer than the minimum requirement of three members under Rule 3.21 of the Listing Rules; and (iii) a nomination committee of the Company comprising two executive Directors and two independent non-executive Directors, which did not meet the composition requirement of having a majority of independent non-executive directors under Rule 3.27A of the Listing Rules.

As a remedial measure, the Board made its best efforts to identify suitable candidates to fill the vacancy of an independent non-executive Director and appointed Mr. Sun Junchen ("Mr. Sun"), Mr. Ko Ming Tung, Edward ("Mr. Ko") and Mr. Wong Ka Wai ("Mr. Wong") as independent non-executive directors of the Company on 22 March 2024. Following the appointment of each of Mr. Sun, Mr. Ko and Mr. Wong as members of each of the Audit Committee and Nomination Committee, the Company is in compliance with the requirements of (i) including at least three independent non-executive directors on the Board under Rule 3.10(1) of the Listing Rules; (ii) the Audit Committee comprising a minimum of three members under Rule 3.21 of the Listing Rules; and (iii) the Nomination Committee comprising a majority of independent non-executive directors under Rule 3.27A of the Listing Rules.

In addition, reference is made to the announcement of the Company dated 8 April 2024. On the same day, Ms. Du Lina resigned as an executive Director, leaving the Board comprised only male Directors. This resulted in the Company not meeting the gender diversity requirement under Rule 13.92 of the Listing Rules upon her resignation. On 13 December 2024, the Company appointed Ms. Cao Jianmei as an executive Director and, thereby complying with the requirement under Rule 13.92 of the Listing Rules regarding the gender diversity of the Board.

Save as disclosed above, the Company has complied with the Code Provisions of the CG Code throughout the year ended 31 December 2024.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

BOARD OF DIRECTORS

Functions and role

The Board has overall responsibility in formulating the strategic development of the Group, monitoring and controlling the Company's operation and financial performance. All of the appointed Directors are subject to rotation for re-appointment at the annual general meeting, and each of the Directors is subject to retirement by rotation at least once every three years. Appropriate and sufficient information was provided to each of the Directors to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

The independent non-executive Directors are expressly identified in all corporate communications such as circular, announcement or relevant corporate communications in which the names of Directors are disclosed. Each of the independent non-executive Directors has filed a confirmation to the Company confirming their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the independence guideline set out in Rule 3.13 of the Listing Rules and are independent.

To the best knowledge of the Company, save that Ms. Du Lina is the spouse of Mr. Zhang Boyang which both Ms. Du and Mr. Zhang had resigned from the Board on 8 April 2024, there is no other financial, business, family relationship among the members of the Board for the financial year ended 31 December 2024. All of them are free to exercise their individual judgment.

Composition

As at the date of this report, the Board comprises eight Directors, of which three are executive Directors, one is non-executive Director and four are independent non-executive Directors. Three of the four independent non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise, which complies with the requirements of the Listing Rules. The Directors' respective biographical information is set out in this annual report under the heading "Biographical Details of Directors and Senior Management" and the names of current Directors on Board and their positions are as follows:

Name of Directors	Position
Executive Directors	
Mr. Li Feng	Chief Executive Officer
Mr. Xie Fang	Chief Risk Officer
Ms. Cao Jianmei	
Non-executive Director	
Mr. Ng Kian Guan	Chairman
Independent Non-executive Directors	
Mr. Cheng Tai Sheung	Lead Independent Non-executive Director
Mr. Ko Ming Tung, Edward	
Mr. Sun Junchen	
Mr. Wong Ka Wai	

The Board held 14 Board meetings (including four regular Board meetings) during the year ended 31 December 2024. Appropriate and sufficient information was provided to the Board in a timely manner for their review before the meetings. Attendance of individual Directors at Board meetings is set out in the section of "Attendance of Board Meetings, Audit Committee Meetings, Nomination Committee Meetings, Remuneration Committee Meetings and Annual General Meeting in 2024".

Chairperson and CEO

During the year ended 31 December 2024, the position of Chairperson was held by Ms. Lin Le (up to 22 February 2024), Ms. Du Lina (from 22 February 2024 to 8 April 2024) and Mr. Ng Kian Guan (from 8 April 2024 to 31 December 2024), whilst the position of CEO was held by Mr. Li Feng during the reporting period. The Chairperson provides leadership and is responsible for the effective functioning and leadership of the Board. The CEO focuses on the Company's business development and daily management and operations generally.

Board Practices

The Board, led by the Chairperson, is responsible for overall management of the Company's business, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. One of the important roles of the Chairperson is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. The Chairperson shall ensure that the Board works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. All Directors have been consulted about any matters proposed for inclusion in the agenda. The Chairperson has delegated the responsibility for drawing up the agenda for each Board meeting to the secretary of the Board. With the support of executive Directors and the company secretary of the Company (the "Company Secretary"), the Chairperson seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. 14 Board meetings (including four regular Board meetings) were held during the year for facilitating the function of the Board. The Board believes that the Board meetings held during the year were adequate to cover all major issues during the year. In any event all Directors were available for consultation by management from time to time during the year.

The Board also reserves for its decisions on all major matters of the Company, including the approval and monitoring of major policy matters, overall strategies and annual budgets and business plans, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information and other significant financial and operational matters.

Management is responsible for the day-to-day operations of the Group under the leadership of the CEO. The CEO, working with the management team, is responsible for managing the businesses of the Group including implementation of strategies adopted by the Board and assuming full accountability to the Board for the operations of the Group. All Directors have made full and active contributions to the affairs of the Board and the Board always acts in the best interests of the Group. Apart from the regular Board meetings, the Chairperson will hold at least one meeting annually with the independent non-executive Directors without the presence of executive Directors.

During the year ended 31 December 2024, the Chairperson met once with the independent non-executive Directors without the presence of executive Directors and the record of attendance of individual member is listed out on page 44 of this annual report.

In order to ensure that the Board is able to fulfill its responsibilities, the Board has established and delegated specific responsibilities to the Audit Committee, Nomination Committee and Remuneration Committee. The details of the committees are stipulated on pages 39 to 42 of this report.

Sufficient formal notice of every regular Board meeting is given to all Directors to give them the opportunity to attend. Board papers are circulated not less than three days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings. The secretary of the Board shall attend all regular Board meetings and shall seek external advice on corporate governance, statutory compliance, accounting and financial matters when necessary. Directors shall have full access to information on the Group and are able to seek independent professional advice whenever deemed necessary. The secretary of the Board shall prepare minutes and keep records of matters discussed and decisions resolved at all Board meetings. Draft and final versions of Board minutes have been sent to all Directors for their comments and records respectively within a reasonable time after the board meeting.

Appropriate insurance cover on Directors' and officers' liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the businesses of the Group.

The Company Secretary, Ms. Wong Wai Yee Ella, is responsible to the Board for ensuring that Board procedures are followed and that the Board is fully briefed on all legislative, regulatory and corporate governance developments and has regarded to them when making decisions. The Company Secretary is also responsible for advising the Board on the Group's compliance with the continuing obligations of the Listing Rules, Codes on Takeovers and Mergers and Share Buy-backs, Companies Ordinance, Securities and Futures Ordinance and other applicable laws, rules and regulations. During the year ended 31 December 2024, Ms. Wong Wai Yee Ella undertook not less than 15 hours of professional training to update her skills and knowledge.

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors, including non-executive Director and independent non-executive Directors, should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Each newly appointed Director received 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 Group also provides briefings and other training to develop and refresh the Directors' knowledge and skills, and update all Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and to enhance their awareness of good corporate governance practices.

During the year ended 31 December 2024 and as at the date of this report, all Directors who are still in office and had participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manner:

Name of Directors	Attended Seminars or Briefing/Read Materials
Executive Directors	
Mr. Li Feng	✓
Mr. Xie Fang	✓
Ms. Cao Jianmei	✓
Non-executive Director	
Mr. Ng Kian Guan	✓
Independent Non-executive Directors	
Mr. Cheng Tai Sheung	✓
Mr. Ko Ming Tung, Edward	✓
Mr. Sun Junchen	✓
Mr. Wong Ka Wai	✓

The following persons were appointed as directors of the Company during the year ended 31 December 2024. They obtained legal advice referred to in Rule 3.09D of the Listing Rules from a firm of solicitors qualified to advice on Hong Kong law on the dates set out below. They all confirmed their understanding of their obligations as directors of the Company.

Name of Director	Date of appointment	Date of legal advice to the director referred to in Rule 3.09D of the Listing Rules
Mr. Cheng Tai Sheung	8 March 2024	5 March 2024
Mr. Jin Mingming *(Note 1)*	8 March 2024	5 March 2024
Mr. Sun Junchen	22 March 2024	15 March 2024
Mr. Ko Ming Tung, Edward	22 March 2024	18 March 2024
Mr. Wong Ka Wai	22 March 2024	18 March 2024
Mr. Xie Fang	22 March 2024	18 March 2024
Mr. Ng Kian Guan	8 April 2024	5 April 2024
Mr. Huang Yan *(Note 2)*	19 April 2024	5 April 2024
Ms. Cao Jianmei	13 December 2024	4 December 2024

Notes:

1. Mr. Jin Mingming resigned as independent non-executive director on 13 March 2024.

2. Mr. Huang Yan retired as non-executive director on 28 June 2024.

BOARD INDEPENDENCE EVALUATION

The Company has established a board independence evaluation mechanism ("Board Independence Evaluation Mechanism") during the year which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct an annual review on its independence. A board independence evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

All Directors have completed the independence evaluation in the form of a questionnaire individually for the year ended 31 December 2024. The board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

The Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism for the year ended 31 December 2024 and the results were satisfactory.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Company for each financial period which gives a true and fair view of the financial position of the Group and financial performance and cash flows for that period and ensure that they are prepared in accordance with statutory requirements and applicable accounting standards. With the assistance of the Company Secretary, the Directors also ensure the publication of the consolidated financial statements of the Group in a timely manner.

The report of the external auditor of the Company, Forvis Mazars CPA Limited, with regard to their reporting responsibilities on the Company's consolidated financial statements is set out in the Independent Auditor's Report on pages 75 to 81 of this annual report.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024.

AUDIT COMMITTEE

Composition

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. As at 31 December 2024, the Audit Committee consisted of four independent non-executive Directors, namely Mr. Wong Ka Wai (Chairman of Audit Committee), Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward and Mr. Sun Junchen respectively. The Audit Committee meets with the external auditor twice a year on a half year basis, or more frequently if required.

Functions and Role

The primary functions of the Audit Committee are, inter alias, to assist the Board in fulfilling its overseeing responsibilities with respect to maintaining appropriate relationship with external auditor, and, to review the annual and interim report and other financial information provided by the Company to its shareholders, the public and other matters within the scope of the terms of reference. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

In discharging its responsibilities, the Audit Committee performed the following work during the year of 2024:

(i) reviewed the effectiveness of audit process in accordance with applicable standards;

(ii) reviewed the consolidated financial statements and reports and the change in accounting principles and policies and assessment of potential impacts on the Group's consolidated financial statements;

(iii) reviewed the Group's risk management and internal control systems and discussed the relevant issues including financial, operational and compliance controls; and

(iv) reviewed the internal control matters reported by internal auditor and external auditor and ensure the Board will provide a timely response to the issues raised therein.

During the year ended 31 December 2024, 5 Audit Committee meetings were held and 2 of them were relating to review the interim and annual financial results and reports of the Group with the external auditor and the record of attendance of individual member is listed out on page 44 of this annual report.

NOMINATION COMMITTEE

Composition

The Nomination Committee has been established with a defined terms of reference in consistent with the CG Code on 30 March 2012. As at 31 December 2024, the Nomination Committee consisted of one non-executive Director, namely Mr. Ng Kian Guan (Chairman of Nomination Committee), four independent non-executive Directors, namely Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai. The Nomination Committee meets at least once a year.

Functions and Role

The primary duties of the Nomination Committee are, inter alias, reviewing the structure, size and composition of the Board, making recommendations to the Board-on-Board succession, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive Directors. The terms of reference setting out the Nomination Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. In addition, the Company has also adopted a nomination policy on 28 January 2019 in sight of the new Listing Rules that came into effect on 1 January 2019. Please see page 41 of this annual report for further details.

The Nomination Committee is responsible for making recommendations to the Board on nomination and appointment of Directors and Board succession, with a view to appoint to the Board individuals with suitable experience and capabilities to maintain and improve the competitiveness of the Company.

Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, past experience, qualifications, professional knowledge, personal integrity and time commitments of proposed candidates, including the independence status in the case of an independent non-executive Director, the board diversity policy, the Company's needs and other relevant statutory requirements and regulations.

During the year ended 31 December 2024, 8 Nomination Committee meetings were held for, inter alia, considering the retirement and re-election of the Directors at the annual general meeting, the appointment of Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai as independent non-executive Directors and members of the Audit Committee, Nomination Committee and Remuneration Committee (of which Mr. Cheng Tai Sheung was appointed as the chairman of the Remuneration Committee and Mr. Wong Ka Wai was appointed as the chairman of the Audit Committee), the appointment of Mr. Xie Fang as executive Director, the appointment of Mr. Ng Kian Guan as non-executive Director and chairman of the Board and the Nomination Committee, and appointment of Ms. Cao Jianmei as executive Director, and reviewing the nomination policy, board diversity policy, making recommendations to the Board on the structure, size and composition of the Board, the succession planning of Directors, and assessing the independence of independent non-executive Director. The record of attendance of individual members is listed out on page 44 of this annual report.

Nomination Policy

On 28 January 2019, the Company adopted a nomination policy setting out the procedure for selection, appointment and re-appointment of directors containing the selection criteria to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Pursuant to the nomination policy, the Nomination Committee will nominate suitable candidates to the Board with the following selection criteria:

- Reputation for integrity
- Potential contribution to the Board in terms of qualification, skills, independence and experience in the business of the Company
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The nomination procedures and the process for nomination of the candidates and selection, appointment and re-appointment of directors at the Company's general meetings set out in the Nomination Policy are as follows:

The Nomination Committee may nominate candidates, and/or invite nominations of candidates from Board members, for consideration by the Nomination Committee prior to its meetings from time to time for casual vacancies and/or candidates to stand for election at a general meeting.

In order to provide information about the candidates nominated by the Board to stand for election at a general meeting, and to invite nominations from shareholders, a circular will be sent to shareholders. The circular will set out the lodgment period for shareholders to make the nominations. The names, brief biographies (including qualifications and relevant experience), independence, proposed remuneration and any other information, as required pursuant to the applicable laws, rules and regulations, of the proposed candidates will be included in the circular to shareholders.

A shareholder can serve a notice to the Company Secretary of the Company within the lodgement period of its intention to propose a resolution to elect a certain person as a Director, without the Board's recommendation or the Nomination Committee's nomination, other than those candidates set out in the shareholder circular. The particulars of the candidates so proposed will be sent to all shareholders for information by a supplementary circular.

The Nomination Committee may request the candidates to provide additional information and documents if they consider necessary.

The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting, and the ultimate responsibility for selection and appointment of Directors rests with the entire Board.

REMUNERATION COMMITTEE

Composition

The Remuneration Committee has been established with written terms of reference in compliance with the CG Code. As at 31 December 2024, the Remuneration Committee members consisted of four independent non-executive Directors, namely Mr. Cheng Tai Sheung (Chairman of Remuneration Committee), Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai. The Remuneration Committee meets at least once a year.

Functions and Role

The primary objectives of the Remuneration Committee include determining the emolument policy, structure and remuneration packages of the Directors and senior management and making recommendations to the Board, and other related matters. The Remuneration Committee is responsible for establishing transparent procedures to develop such emolument policy and structure which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The terms of reference setting out the Remuneration Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange. The Remuneration Committee has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

The Remuneration Committee are responsible for reviewing the market conditions, time commitment, responsibilities, performance of individuals and any other relevant information and propose to the Board for consideration and approval. None of the executive Directors can determine his or her own remuneration.

During the year ended 31 December 2024, 6 Remuneration Committee meetings were held to review and recommend, inter alia, the existing emolument policy and structure of Company, the remuneration of the Directors and senior management for Board approval and to recommend the remuneration of Mr. Xie Fang and Ms. Cao Jianmei, the newly appointed executive Directors, the remuneration of Mr. Ng Kian Guan, the newly appointed non-executive Director, the remuneration of Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen and Mr. Wong Ka Wai, the newly appointed independent non-executive Directors, and the grant of share awards to eligible employees. The record of attendance of individual members is listed out on page 44 of this annual report.

Emolument Policy

The emolument policy of the Directors and senior management of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors are reviewed and recommended by the Remuneration Committee, having regard to market competitiveness, individual performance and achievement, for the Board approval.

The Company has adopted a share award plan as an incentive to Directors and eligible employees.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

Pursuant to the board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service.

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

As at the date of this report, the Board has one female Director and has achieved gender diversity in respect of the Board. As such, the Board is of the view that it is not necessary to set numerical targets and timeline with respect to the board gender diversity for the time being but will be mindful to increase the proportion of female member over time when considering and making recommendation on suitable candidates for Board appointment. There are 18 female employees (including one female senior management) within the Group, representing approximately 41% of the Group's workforce. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the shareholders' expectation and recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to provide career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in the near future.

The Company plans to offer all-rounded trainings to female employees whom we consider having the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development.

During the year ended 31 December 2024, the Nomination Committee has reviewed the board diversity policy to ensure its continued effectiveness.

DIVIDEND POLICY

The Company has a dividend policy which aims to set out the principles and guidelines to be applied in relation to the declaration and/or payment of dividends to its shareholders. The Board has the sole and absolute discretion to declare and distribute dividends to the shareholders of the Company and their decision will depend on the actual and expected financial performance of the Group, retained earnings and distributable reserves of the Group, the level of the Group's debt to equity ratio, return on equity and relevant financial covenants, the current and future operations, expected working capital requirements and future expansion plans, current market condition, future development plan, and any other factors that the Board deem appropriate. The declaration and the amount of dividends will also be subject to any restrictions under the applicable laws and regulations and the Company's constitutional documents. The dividend policy will be reviewed by the Board from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

CORPORATE GOVERNANCE FUNCTION

All members of the Board are responsible for performing the corporate governance functions. The terms of reference of corporate governance functions were adopted by the Board at the Board meeting held on 30 March 2012 and is in compliance with the Code Provision A.2.1. During the year ended 31 December 2024, the Board has reviewed the policy of the corporate governance of the Company and the corporate governance report.

ATTENDANCE OF BOARD MEETINGS, AUDIT COMMITTEE MEETINGS, NOMINATION COMMITTEE MEETINGS, REMUNERATION COMMITTEE MEETINGS AND ANNUAL GENERAL MEETING IN 2024

	Attendance/Number of Meetings Held					
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Meeting between Chairman and Independent Non-executive Directors	Annual General Meeting held on 28 June 2024
Directors						
Executive Directors						
Mr. Li Feng	14/14	N/A	N/A	N/A	N/A	1/1
Mr. Xie Fang *(Note 1)*	7/7	N/A	N/A	N/A	N/A	1/1
Ms. Du Lina *(Note 2)*	9/9	N/A	3/3	N/A	N/A	N/A
Ms. Lin Le *(Note 3)*	6/6	N/A	3/3	N/A	N/A	N/A
Ms. Cao Jianmei *(Note 4)*	N/A	N/A	N/A	N/A	N/A	N/A
Non-executive Directors						
Mr. Ng Kian Guan *(Note 5)*	5/5	N/A	3/3	N/A	1/1	1/1
Mr. Zhang Boyang *(Note 6)*	9/9	N/A	N/A	N/A	N/A	N/A
Mr. Huang Yan *(Note 7)*	1/1	N/A	N/A	N/A	N/A	1/1
Independent Non-executive Directors						
Mr. Cheng Tai Sheung *(Note 8)*	9/9	5/5	5/5	4/4	1/1	1/1
Mr. Ko Ming Tung, Edward *(Note 9)*	7/7	4/5	4/4	4/4	1/1	1/1
Mr. Sun Junchen *(Note 10)*	6/7	5/5	3/4	3/4	1/1	1/1
Mr. Wong Ka Wai *(Note 11)*	7/7	5/5	4/4	4/4	1/1	1/1
Mr. Dong Hao *(Note 12)*	4/6	N/A	2/3	2/2	N/A	N/A
Mr. Wen Yuanhua *(Note 13)*	5/6	N/A	3/3	2/2	N/A	N/A
Ms. Zhou Hui *(Note 14)*	6/7	N/A	2/3	1/2	N/A	N/A
Mr. Jin Mingming *(Note 15)*	1/1	N/A	N/A	N/A	N/A	N/A

Notes:

1. Mr. Xie Fang was appointed as executive Director on 22 March 2024.

2. Ms. Du Lina had been a member of the Nomination Committee since 22 February 2024 and appointed as chairperson of the Nomination Committee since 22 March 2024. Ms. Du resigned from directorship of the Company and the chairperson and member of the Nomination Committee on 8 April 2024.

3. Ms. Lin Le resigned from directorship of the Company and the chairperson and member of the Nomination Committee on 21 March 2024.

4. Ms. Cao Jianmei was appointed as executive Director on 13 December 2024 and was appointed as member of the Nomination Committee on 21 January 2025.

5. Mr. Ng Kian Guan was appointed as non-executive Director, chairman of the Board and the chairman of the Nomination Committee on 8 April 2024.

6. Mr. Zhang Boyang resigned as non-executive Director on 8 April 2024.

7. Mr. Huang Yan retired as non-executive Director on 28 June 2024.

8. Mr. Cheng Tai Sheung was appointed as independent non-executive Director, a member of each of the Remuneration Committee, the Audit Committee and Nomination Committee on 8 March 2024, and was appointed as the chairman of the Remuneration Committee on 22 March 2024, and was designated as the lead independent non-executive Director on 21 January 2025.

9. Mr. Ko Ming Tung, Edward was appointed as independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee on 22 March 2024.

10. Mr. Sun Junchen was appointed as independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee on 22 March 2024.

11. Mr. Wong Ka Wai was appointed as independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee on 22 March 2024.

12. Mr. Dong Hao resigned as independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee on 13 March 2024.

13. Mr. Wen Yuanhua resigned as independent non-executive Director, chairman and member of the Remuneration Committee and a member of each of Audit Committee and Nomination Committee on 13 March 2024.

14. Ms. Zhou Hui resigned as independent non-executive Director, chairperson and member of the Audit Committee and a member of each of Nomination Committee and Remuneration Committee on 22 March 2024.

15. Mr. Jin Mingming was appointed as independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee on 8 March 2024 and resigned from directorship and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee on 13 March 2024.

AUDITOR'S REMUNERATION

During the year ended 31 December 2024, the fees paid or payable to the external auditor of the Company, Forvis Mazars CPA Limited and its network firms in Hong Kong were HK$2,935,000 for statutory audit services rendered and HK$700,000 for non-statutory audit services and others rendered to the Group respectively. The non-statutory audit services and others mainly represent review of interim financial statements and taxation service fees.

INVESTOR RELATIONSHIP AND COMMUNICATION

The Company endeavors to maintain good investor relationship with the shareholders and potential investors by way of annual general meeting, publication of interim and annual reports on the websites of the Company and the Stock Exchange, and timely press releases on the Company's website. A shareholder's communication policy was adopted by the Board on 30 March 2012 aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company.

Shareholders are encouraged to attend the annual general meetings for which a notice would be served properly. The Chairman and/or Directors are available to answer questions on the Group's business at the meetings. At general meetings, separate resolutions are proposed on each substantial and separate issue such as the election of individual Directors and re-appointment of auditor.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's registered office at Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong or send email to ir@chinavered.com.

As part of its regular review, the Board has reviewed its policy in regard to the shareholders' communication for the year ended 31 December 2024 and is of the view that it is effective and adequately implemented.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Hong Kong Companies Ordinance and the Company's articles of association, an extraordinary general meeting can be convened by a written request signed by the shareholders holding not less than one-twentieth of the paid-up share capital of the Company, stating the objects of the meeting, and deposited at the Company's registered office at Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong.

Procedures for putting forward Proposals at a General Meeting

A Shareholder shall make a written requisition to the Board or the Company Secretary at the Company's registered office at Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong, specifying the shareholding information of the Shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the Company's registered office at Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong or send email to ir@chinavered.com.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's constitutional documents.

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Board complied with the Code Provisions on risk management and internal control as set out in the CG code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A year end review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

WHISTLE-BLOWING AND ANTI-CORRUPTION POLICIES

The Group has adopted the zero-tolerance policy against financial crimes such as corruption, bribery, extortion, fraud, money laundering, insider trading, monopoly and competitive behaviour within the Company.

The Group has also set up an independent reporting channel through which the employees of the Company can report the corruption and bribery of other employees of the Company directly to the internal audit and supervision department, so that the Company can be held harmless from frauds and other misconducts.

For details, please refer to the section headed "Environmental, Social and Governance Report" of this annual report.

EXECUTIVE DIRECTORS

Mr. Li Feng ("Mr. Li"), aged 46, has been appointed as an executive Director and the deputy chief executive officer of the Company on 15 March 2022, and was appointed as the chief executive officer of the Company on 30 September 2022. Mr. Li currently has directorship in a number of subsidiaries of the Company. Prior to joining the Group, Mr. Li was employed by Vered Holdings from 2017 to March 2024. Before joining Vered Holdings, Mr. Li was employed by China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司) and held various positions from January 2003 to February 2016, including the account manager of the corporate business department of the Dalian branch, the product manager assistance of the corporate banking management department of the Dalian branch, general manager assistant of the Dalian branch of the trade finance department and the general manager of the corporate finance department of the Hong Kong branch.

Mr. Li graduated from Dongbei University of Finance and Economics (東北財經大學) in June 2011 with a master degree in business administration.

Mr. Xie Fang ("Mr. Xie"), aged 38, has been appointed as an executive Director of the Company since 22 March 2024. Mr. Xie joined the Company as the head of risk management department in May 2021. He has been appointed as the Chief Risk Officer of the Company since 30 September 2022 and has directorship in a number of subsidiaries of the Company. Prior to this, Mr. Xie served as a senior manager, vice president and senior vice president of the risk management department of CITIC Securities Company Limited from July 2010 to February 2021.

Mr. Xie obtained his master's degree in computer science and technology from the Tsinghua University (清華大學) in 2010. Mr. Xie was certified as a qualified Financial Risk Manager by the Global Association of Risk Professionals in December 2017.

Ms. Cao Jianmei ("Ms. Cao"), aged 45, has been appointed as an executive Director since 13 December 2024 and has been appointed as a member of the Nomination Committee on 21 January 2025. Ms. Cao has rich working experience in the field of accounting and finance. She served as the head of the finance department of Beijing Yingzhongxianghe Group Company Limited* (北京盈中祥合集團有限公司) from August 2020 to November 2024. She worked as the head of the finance department at Wanrui Lianhe International Financial Leasing Co., Ltd. Beijing Branch* (萬瑞聯合國際融資租賃有限公司北京分公司) (currently known as Wanrui Lianhe (Tianjin) Leasing Co., Ltd. Beijing Branch (萬瑞聯合(天津)租賃有限公司北京分公司)) from January 2016 to June 2020.

Ms. Cao obtained her master's degree in accountancy from Renmin University of China (中國人民大學) in June 2013.

NON-EXECUTIVE DIRECTORS

Mr. Ng Kian Guan ("Mr. Ng"), aged 68, has been appointed as a non-executive Director, the Chairman of the Board, the chairman of the Nomination Committee and authorised representative of the Company for purpose of Rule 3.05 of the Listing Rules with effect from 8 April 2024. Mr. Ng has over 30 years of experience in banking and finance with strong expertise in credit and marketing. Mr. Ng has been appointed as an independent director of International Cement Group Limited (symbol: KUO.SI) since June 2021 and as an independent non-executive director of Hong Lai Huat Group Limited (symbol: CTO.SI) since May 2024, which both companies are listed on the Main Board of the Singapore Exchange. He was Senior Banker of Shanghai Pudong Development Bank from October 2021

* *For identification purposes only*

to September 2022. He was the Deputy Chief Executive Officer of Maybank Singapore from August 2014 to June 2021, while serving simultaneously as the Head of Corporate Office from September 2011 to December 2018. Prior to this, he led and oversaw various portfolios at the bank including Corporate Banking, Risk Management, Remedial Management, and Group Credit Management.

Mr. Ng holds a Bachelor of Business Administration from the National University of Singapore. He also holds an Executive Diploma in Directorship from the Singapore Management University and Singapore Institute of Directors ("SID") and is an accredited director under the SID Accreditation Framework.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Tai Sheung ("Mr. Cheng"), aged 49, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee since 8 March 2024. He was then appointed as the chairman of the Remuneration Committee on 22 March 2024, and has been designated as lead independent non-executive Director on 21 January 2025.

Mr. Cheng has been serving as managing director of the corporate finance department of Opus Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") and managing director of Opus Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the SFO since February 2023. Prior to that, he worked as managing director and head of investment banking at Ever-Long Securities Company Limited from 2019 to 2021. From 2014 to 2019, Mr. Cheng worked at RHB Capital Hong Kong Limited, with his last position held as managing director and head of investment banking. Mr. Cheng possesses over 20 years of experience in the fields of auditing, finance, investment banking and capital markets. He has been a licensed person for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO since 2005.

Mr. Cheng obtained his Bachelor of Business Administration degree from the Chinese University of Hong Kong. He is also a Chartered Financial Analyst, a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Accountants.

Mr. Sun Junchen ("Mr. Sun"), aged 36, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee since 22 March 2024. Mr. Sun served as the vice president of investment development of Newborn Town Inc., a company listed on the Stock Exchange (stock code: 9911) from April 2023 to April 2024, and was primarily responsible for its innovative business. Prior to this, Mr. Sun worked at PricewaterhouseCoopers Zhong Tian LLP Tianjin Branch (普華永道中天會計師事務所(特殊普通合夥)天津分所) from October 2011 to May 2015, with his last position held as a senior associate. From May 2015 to October 2015, he worked at Shenwan Hongyuan Securities Co., Ltd. Beijing Branch (申萬宏源證券有限公司北京分公司), with his last position held as a senior manager. From October 2015 to February 2017, he worked at MicroMedia Holdings Limited* (北京簡網世紀科技有限公司), with his last position held as the finance director. From February 2017 to April 2023, he worked at Beijing BlueCity Information & Technology Co., Ltd.* (北京藍城兄弟信息技術有限公司), with his last position held as the chief financial officer.

* *For identification purposes only*

Mr. Sun obtained his bachelor's degree in accountancy in June 2011 from the Tianjin University of Finance and Economics (天津財經大學). He obtained his master's degree in business administration from the Peking University (北京大學) in July 2018. He was also accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in April 2015.

Mr. Ko Ming Tung, Edward ("Mr. Ko"), aged 64, has been appointed as an independent non-executive Director and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee since 22 March 2024. Mr. Ko has more than 33 years of experience in the legal profession. Mr. Ko is the principal of Messrs. Edward Ko & Company. Mr. Ko has also been serving as an independent non-executive director of Sinofert Holdings Limited (stock code: 297) since April 2000, EverChina Int'l Holdings Company Limited (stock code: 202) since April 2009 and Chia Tai Enterprises International Limited (stock code: 3839) since September 2014, which are listed on the Stock Exchange.

Mr. Ko obtained his external bachelor's degree in laws from the University of London in the United Kingdom in August 1986. He was admitted as a solicitor of Hong Kong in March 1991.

Mr. Wong Ka Wai ("Mr. Wong"), aged 45, has been appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee of the Company since 22 March 2024. Mr. Wong has been serving as an independent non-executive director of Wenling Zhejiang Measuring and Cutting Tools Trading Centre Co., Ltd. (stock code: 1379) since May 2022, which is listed on the Stock Exchange. Mr. Wong served as an independent non-executive director of Jujiang Construction Group Co., Ltd. (stock code: 1459) from August 2015 to June 2024, and as the chief financial officer and company secretary of Ruifeng Power Group Company Limited (stock code: 2025) from May 2017 to June 2023, and from February 2017 to June 2017, he served as an independent non-executive director of Green International Holdings Limited (stock code: 2700) which both are listed on the Stock Exchange. From January 2013 to March 2017, he served as the Chairman of Jai Dam Distribution (Hong Kong) Co. Ltd., and was responsible for the business development and management of the French Brand "Jai Dam" in the region of Greater China and managing the sub-distributors of Jai Dam Distribution (Hong Kong) Co. Ltd. in Beijing and Shanghai. From November 2011 to December 2012, he worked at PricewaterhouseCoopers Singapore branch, with his last position held as a manager of the individual tax business unit. From November 2010 to September 2011, he worked at BASF East Asia Regional Headquarters Limited, with his last position held as a manager. From January 2008 to May 2010, he worked at the Shanghai office of Ernst & Young, with his last position held as manager in the tax human capital-PRC department. From July 2006 to January 2008, he worked at Ernst and Young, with his last position held as a senior accountant in the tax department. From September 2001 to May 2004, he worked at KPMG, with his last position held as a tax consultant.

Mr. Wong obtained his bachelor's degree in accountancy in November 2001 from the City University of Hong Kong. He obtained his bachelor's degree in laws from the University of London in the United Kingdom in August 2007. He was also admitted as a member of the Association of Chartered Certified Accountants in October 2009.

ABOUT THIS REPORT

The objective of this Environmental, Social and Governance Report (the "**ESG Report**") is to demonstrate the ESG performance of China Vered Financial Holding Corporation Limited (the "**Company**") and its subsidiaries (collectively the "**Group**" or "**we**"), assisting stakeholders to understand our ESG principles, development and practices in pursuit of sustainable development for the future.

Reporting Scope and Period

Unless otherwise stated, the ESG Report covers an overview of the Group's overall performance in two subject areas, namely, Environmental and Social aspects of the Group's business operations, in its Hong Kong office, including asset management services, securities brokerage services and investment holding from 1 January 2024 to 31 December 2024 (the "**Reporting Period**"). The reporting scope remains consistent with last year's report.

As the Group's business operations in Tokyo, Canada and Shenzhen are relatively small in scale, accounting for no more than 20% of the entire Group's revenue, they are excluded from the reporting scope.

Reporting Principles

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Guide**") as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "**Listing Rules**"). For information regarding the Group's corporate governance, please refer to the "Corporate Governance Report" section.

The ESG Report adhere to the principles of "Materiality", "Quantitative", "Consistency" and "Balance" as defined in the ESG Guide.

Materiality	Based on the issues in the ESG Guide, ESG issues that have a significant impact on the Group have been identified through stakeholder engagement and materiality assessment, and relevant disclosures have been made in the Report according to the priority. For details of the stakeholder engagement, please refer to the section headed "Stakeholder Engagement" and "Materiality Assessment".
Quantitative	The key performance indicators ("**KPIs**") have been recorded and disclosed in quantitative terms where practicable. Where necessary, the ESG Report will detail the standards, methods, assumptions, calculation references and sources of key conversion factors used for KPIs.
Balance	The ESG Report presents our overall ESG performance during the year to all stakeholders in an objective and impartial manner.
Consistency	Unless otherwise stated, the disclosures and statistical methods used in the ESG Report are consistent with those used in the previous financial year to ensure meaningful comparisons. For any changes that may affect comparisons with previous reports, the Group will annotate the relevant parts with explanatory notes.

Stakeholder Engagement

The Group recognizes the significant influence of stakeholders on sustainable development and places a high value on stakeholder engagement and communication. We actively engage with key stakeholders through multiple channels, gather their feedback and expectations, assist in formulating operational and environmental, social, and governance strategies, enhance governance standards and performance, and persist in generating value for stakeholders.

The details of various communication channels between the Group and stakeholders are shown in the following table:

Stakeholders	Expectations and concerns	Means of communications
Shareholders	• Investment returns • Corporate governance • Business compliance • Protection of the voting rights of shareholders and investors	• Annual general meetings and other general meetings of the Company • Information disclosed on the websites of the Stock Exchange and the Company
Clients	• Quality products and services • Data protection	• Company's website • E-mails, direct conversations, phone calls or meetings • Customer service hotline
Business partners	• Long-term co-operation • Creditworthiness	• Company's website • E-mails, direct conversations, phone calls or meetings
Employees	• Employee compensation and benefits • Training and development	• Meetings • Internal announcements and notices • Performance review • Staff training
Regulatory authorities	• Compliance with laws and regulations	• Ad-hoc enquiries • Regulator's inspection • Regular publications and information disclosure
Community	• Community participation	• Company's website • Company's announcement • Community engagement

The Group highly values stakeholders' opinions and suggestions and understands that the feedback enables us to strengthen our sustainability performance continually. You are welcome to provide us with your valuable views on our ESG Report or the Group's sustainability performance or strategies via email address: ir@chinavered.com.

Materiality Assessment

The Group conducts materiality assessments yearly to identify ESG issues that are material to our business operations. We invite different stakeholders to fill in an online survey to rate the relative importance of the ESG issues to the Group's development as well as to the stakeholders.

Identification

- Select the ESG issues that the Group and its stakeholders may reasonably consider to be important from a variety of sources, including Listing Rules requirements, industry trends and internal policies.

Engagement

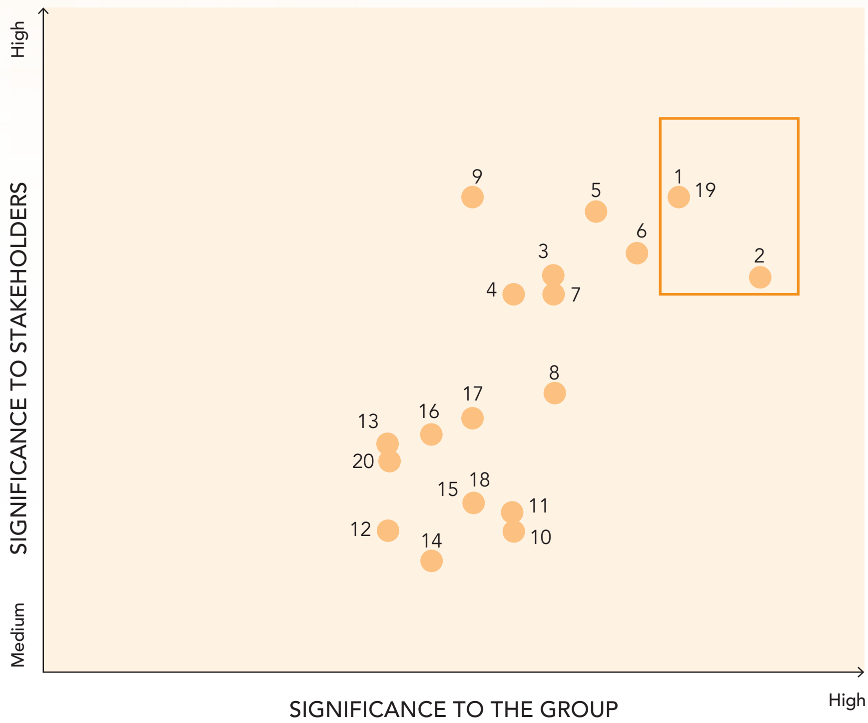
- Conduct online opinion surveys on important issues to collect opinions from stakeholders.

Analysis & Evaluation

- Prioritise the most material ESG topics by materiality assessment
- Review the result of materiality assessment to formulate more relevant and efficient short-term and long-term ESG development strategies.

Based on the materiality of each of the ESG topics expressed by the stakeholders, the ESG topics are prioritised and shown in the materiality assessment matrix below. The ESG issues that fall within the top right-hand area are the greatest importance to our stakeholders and our operation. They are product and service quality, customer service and level of satisfaction, and anti-corruption.

Materiality Matrix



Product and Service Responsibility	Workforce	Environmental	Operating Practices	Community
1. Product and service quality	4. Diversity and equal opportunities	10. Emission of exhaust gases	17. Supply chain management	20. Community investment
2. Customer service and level of satisfaction	5. Employment relationship and communication	11. Waste management	18. Social responsibility of the supply chain	
3. Intellectual property protection	6. Occupational safety and health	12. Carbon emissions and energy consumption management	19. Anti-corruption	
	7. Training and development	13. Use of water resources		
	8. Prevention of child labour and forced labour	14. Sewage discharge		
	9. Employee welfare	15. Climate change		
		16. Green procurement		

The Group will continue to identify areas of improvement for the major issue areas and maintain close communication with its stakeholders to share and exchange opinions for advancing the Group's ESG management.

The Board Statement and Sustainable Governance

The Board of Directors of the Company takes the overall responsibility for the Group's sustainability strategy and reporting, evaluation 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 Group has established an ESG working group to assist the Board of Directors in coordinating the Group's ESG management, formulating relevant ESG goals, collecting relevant data and information and reporting to the Board of Directors on a regular basis. The working group is composed of heads of multiple departments, including the Human Resources Department, Administration Department, Internal Audit Department, Risk Management Department, Board of Directors Office and Finance Department, etc.

ESG Risk Management

The Board maintains ultimate responsibility for overseeing the Group's assessment and mitigation of ESG-related risks. In order to effectively manage ESG-related risks, including climate-related risks as well as supply chain environmental and social risks, each department and the ESG working group identify ESG risks through different channels, historical data, future forecasts, cases, and information from other domestic and foreign companies in the same industry. After that, each department and the ESG working group would jointly monitor and report ESG risks that are significant to the Group through department meetings. The Board of Directors will be informed of important changes or updates to the ESG risk profile through meetings.

Supporting the United Nations Sustainable Development Goals

The Group fully supports the realization of the 17 Sustainable Development Goals ("**SDGs**") that were adopted by United Nations member states in 2015 as a universal call to action to eradicate poverty by 2030, protect the planet, and ensure that all people can enjoy peace and prosperity.

The Group has established eight goals that are most relevant to our business and sustainable development strategy. Over the long term, the Group is working to explore ways to strengthen sustainable development and contribute to the goals of the United Nations. After reviewing the Group's business strategy, eight specific goals were drawn up and set out as follows:

SUSTAINABLE DEVELOPMENT GOALS

Goals	Description	Corresponding Issues
SDG 3 Good Health and Well-being	Ensure healthy lives and promote well-being	Employment and Labour Practices; Community Investment
SDG 4 Quality Education	Ensure inclusive and quality education and promote lifelong learning	Development and Training
SDG 7 Affordable and Clean Energy	Ensure access to affordable, reliable and sustainable modern energy for all	Environmental
SDG 8 Decent Work and Economic Growth	Promote inclusive and sustainable economic growth, employment and decent work	Employment and Labour Practices; Community Investment
SDG 10 Reduced Inequalities	Reduce inequality within and among countries	Employment and Labour Practices
SDG 12 Responsible Consumption and Production	Ensure sustainable consumption and production patterns	Supply Chain Management; Environment
SDG 13 Climate Action	Take urgent action to combat climate change and its impacts	Climate Change
SDG 16 Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Anti-corruption and Combating Money Laundering

ENVIRONMENTAL

The core business of the Group is asset management services, securities brokerage services and investment holding. The daily operation site of the businesses is in the office. The direct environmental impact mainly involves the operation of computer systems, resources consumed by business activities, and paper waste disposal. Although the Group do not have a significant impact on the environment or natural resources, the Group is committed to operating its business in an efficient and sustainable manner by reducing the use of energy and other resources to improve our environmental performance.

We strictly comply with environmental laws and regulations, including but not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong), Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong) and the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Climate Change

Global warming has been one of the utmost concerned issues in recent years, which might indue extreme weather conditions such as storms, flooding and earthquakes, etc. Having been aware of the rising frequency of extreme weather events that may disrupt the supply chain and affect business operations, the Group has identified the following climate-related risks that mainly affect the Group:

Type of Climate Risk	Risk Description	Mitigation Measures
Physical Risk		
Acute Physical Risk		
Extreme weather	Employee safety issues arising from extreme weather	During extreme weather events, employees are advised to remain in a safe place until it is safe to resume normal activities.
Transition Risk		
Tightening of climate-related policies	Efforts made to fulfill tightening environmental policies may incur costs and lead to rising operating costs.	Continuously monitor changes in environmental policies to ensure that the Group meets the expectations of regulatory agencies and complies with environment-related laws and regulations.
Change in customers' behaviour	Customer behaviour and preference are changing. Failure to meet their expectations for climate risk management and targets can lead to a loss of customers and revenue.	Proactively conduct research on low-carbon technology trends in the financial industry and develop smart technologies to enhance financial service efficiency, improve service capabilities, and avoid excessive use of resources in financial operations. Meanwhile also actively plan to promote green financial services to meet future market demand for green services.

Emissions

Air Emissions

The air emissions of the Group are emissions from vehicle exhaust. The air emissions generated are mainly nitrogen oxides ("**NOx**"), sulfur oxides ("**SOx**") and respirable particulate matter ("**PM**").

Greenhouse Gas Emissions

In the Group's business activities, fuel consumption of vehicle (Scope 1 direct emissions), electricity consumption in office(s) (Scope 2 indirect emissions) and paper consumption (Scope 3 indirect emissions) are the major sources of GHG emissions of the Group. We are committed to regularly monitoring the Group's energy consumption and identifying areas for energy conservation to encourage emission reductions. The Group's carbon footprint mainly comes from indirect greenhouse gas emissions generated from electricity consumption. The Group has set a goal to reduce greenhouse gas emission intensity by 10% (in tCO_2e/m^2) within 10 years starting from 2022. The Group is committed to continuously reviewing and improving greenhouse gas emission reduction measures to achieve this long-term goal.

The Group has currently implemented the following energy-saving measures to reduce greenhouse gas emissions:

- Procuring energy efficient appliances when replacing old appliances;
- Encouraging employees to turn off idle equipment, computers, printers, air-conditioner and lights when not in use or after working hours;
- Use natural light whenever possible; and
- Avoid overcooling offices and set air conditioning to 25 degrees Celsius wherever possible.

Waste Management

Given the nature of the Group's business and its office-centered activities, it does not produce hazardous waste. Throughout the Reporting Period, the predominant type of waste generated was non-hazardous office paper waste. We encourage the implementation of the 4R environmental management model, which means waste reduction, waste utilization, recycling and replacement to cultivate a green culture. At the same time, we encourage our employees to recycle waste paper, to use double-sided printing when printing internal documents and to minimize the use of paper in their daily work. We promote electronic circulation of documents, such as via email and the use of electronic files, to reduce paper waste.

The Group has set a target to reduce waste generation intensity by 20% (in kg/m^2) within 10 years starting from 2022. The Group is committed to continuously reviewing and improving waste reduction measures to achieve this long-term goal.

Use of Resources

Energy Consumption

The Group's main energy consumption comes from electricity consumption of office equipment and vehicle fuel consumption. Measures to reduce energy use are found in the "Greenhouse Gas Emissions" section. The Group has set a target to reduce the total energy consumption intensity by 20% (in MWh/m^2) within 10 years starting from 2022. The Group is committed to continuously reviewing and improving energy-saving measures to achieve this long-term goal.

Water Resources

The Group fully recognizes the importance of water resources. Our water use in daily operations is mainly for water use in offices. However, the water consumption of offices is managed by the property management office, and the relevant data is currently not available. Where possible, we will enhance data collection processes to collect relevant data in the future. Based on the business nature of the Group, we did not encounter any significant issues in sourcing water that was fit for purpose during the Reporting Period. In order to develop the habit of water saving, water conservation signs are displayed in the office.

As the Group's business operations do not consume large amounts of water and the water consumption data are not directly controlled by the Group, no specific water efficiency targets have been established.

Packaging Material

The Group's business activities do not involve the production of tangible products, resulting in no consumption of packaging materials.

Environmental Performance Indicators

Hong Kong Stock Exchange ESG Guide Reference	Indicator	Unit	2024	2023
KPI A1.1 and A1.2[1]	Nitrogen oxides (NOx)	kg	**1.46**	1.18
	Sulphur oxides (SOx)	kg	**0.01**	0.05
	Particulate matters (PM)	kg	**0.11**	0.09
	Direct emissions (Scope 1) — Vehicle fuel	tCO_2e	**1.51**[2]	9.62
	Indirect emissions (Scope 2) — Purchased electricity	tCO_2e	**89.12**	111.99
	Other indirect Emissions (Scope 3) — Waste paper landfill disposal	tCO_2e	**3.38**	2.88
	Total greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	tCO_2e	**94.01**	124.49
	Total intensity of greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)	tCO_2e/m^2	**0.06**	0.08
KPI A1.4	Total amount of non-hazardous waste generated — Paper	tonnes	**0.9050**	0.6548
	Total amount of non-hazardous waste disposal	tonnes	**0.7050**	0.6000
	Intensity of non-hazardous waste	$tonnes/m^2$	**0.00049**	0.00036
	Total amount of non-hazardous waste recycled	tonnes	**0.2000**	0.0548
KPI A2.1	Indirect energy consumption — Purchased electricity	MWh	**135.03**	164.69
	Indirect energy consumption intensity	MWh/m^2	**0.10**	0.10
	Direct energy consumption — Unleaded petrol	MWh	**5.18**[3]	32.95
	Direct energy consumption intensity	MWh/m^2	**0.004**[4]	0.02
	Total energy consumption	MWh	**140.21**	197.64
	Total energy consumption intensity	MWh/m^2	**0.10**	0.12

1 Air pollutant and greenhouse gas emission data are calculated with reference to the Hong Kong Stock Exchange's "How to Prepare Environmental, Social and Governance Reports — Appendix 2: Reporting Guidelines on Environmental Key Performance Indicators" or the emission coefficients from sources such as The Hong Kong Electric Company Limited.

2 The reduction in vehicle fuel emissions is attributed to the change in using electric vehicles.

3 The reduction in unleaded petrol consumption is attributed to the change of using electric vehicles.

4 The decline in direct energy consumption intensity figure is due to the change in using electric vehicles.

SOCIAL

Employment and Labour Practices

The Group has always regarded human capital as a valuable asset, and outstanding talents are an important asset of the Group and an important strategic support for the company to enhance its competitiveness. During the Reporting Period, the Group did not discover any major violations of employment and labour-related laws and regulations. We will continue to strictly abide by all applicable Hong Kong labour laws and regulations, such as:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Chapter 485, Laws of Hong Kong);
- Employees' Compensation Ordinance (Chapter 282, Laws of Hong Kong); and
- Minimum Wage Ordinance (Chapter 608, Laws of Hong Kong).

In order to protect the basic rights and interests of employees, the Group has also formulated an "Employee Handbook" that clearly states in detail the attendance policies, remuneration, benefits, leave provisions, company regulations and disciplines, etc., and participates in the Mandatory Provident Fund Retirement Benefit Plan for eligible employees. The Human Resources Department is responsible for ensuring that employees fully understand the contents of the employee handbook before joining the company. The Group signs employment contracts with hired employees to ensure that employees understand their job positions, working hours, wages and benefits, etc.

Employee Distribution and Employee Turnover Rate

	2024	2023
Employee data		
By employment type		
Full-time	44	48
Part-time	–	–
By employment category		
Senior management	3	3
Middle management	1	1
Frontline and other staff	40	44
By gender		
Male	26	29
Female	18	19
By region		
Hong Kong	44	48
By age-group		
18–25	2	2
26–35	12	11
36–45	18	26
46–55	9	6
56 or above	3	3
Total number of employees	44	48
Employee turnover rate[5]		
By gender		
Male	35%	52%
Female	67%	32%
By region		
Hong Kong	48%	44%
By age-group		
18–25	150%	50%
26–25	58%	36%
26–45	50%	42%
46–55	11%	83%
56 or above	33%	–
Overall employee turnover rate	47.73%	43.75%

5 The turnover rate is calculated based on (the number of employees under this category who resigned during the Reporting Period/the total number of employees under this category as of 31 December of the reporting year) x 100%.

Diversity, Equality and Inclusion

The Group is committed to creating a fair and harmonious working environment and adheres to the principles of fairness in the provision of employment opportunities, remuneration, training, performance evaluation and promotion without any forms of discrimination such as gender, age, ethnicity, religion and culture. We strictly abide by laws and regulations on equal opportunities, including but not limited to the Disability Discrimination Ordinance, Sex Discrimination Ordinance, Family Status Discrimination Ordinance and Racial Discrimination Ordinance. The Group adopts a zero-tolerance attitude towards harassment in the workplace. Anyone involved in any sexual harassment or any form of discrimination will be subject to disciplinary action or dismissal. During the Reporting Period, we found no potential human rights risks in our operations.

Recruitment, Promotion and Benefits

The Group selects the best and most suitably qualified candidates through open recruitment or internal promotion. The Group applies robust and transparent recruitment processes based on merit selection against the job criteria, and recruits individuals based on their suitability for the position and their potential to fulfil the Group's current and future needs. Based on the annual performance evaluation result as well as economic and market circumstances, the Group offers rewards and promotion opportunities to employees with outstanding performances.

We make defined contributions in accordance with the Mandatory Provident Fund Schemes ("**MPF Scheme**") Ordinance for employees employed in Hong Kong who are eligible to participate in the MPF Scheme. In addition, the Group has been providing share option schemes to eligible employees (including directors) to reward their ongoing efforts and promote the positive development of employees and the entire Group. In addition to basic statutory holidays, employees also enjoy a five-day work schedule, paid annual leave, sick leave, paternity leave, maternity leave, marriage and funeral leave, etc.

The Group has formulated employee dismissal or voluntary termination policy which is stipulated in the Employee Handbook. The policy strictly complies with the termination/dismissal requirements of Employment Ordinance in Hong Kong.

Health and Safety

The Group is committed to providing a healthy and appropriate workplace for employees. While the Group's operations are mainly office-centric, it complies with the Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong) and other pertinent regulations to ensure a secure workplace and safeguard its employees from occupational risks.

The Group's "Employee Handbook" covers regulations and guidelines related to health and safety, such as inclement weather arrangements and work health and safety guidelines. The Group is committed to achieving this goal by implementing the following key measures:

- Keep passages and stairs clear of obstructions;
- Participate in fire drills organised by property management, if available;
- Equip offices with first-aid boxes and other medical supplies;
- Maintain adequate indoor air ventilation;
- Clean and sanitise office area to maintain a hygienic workplace;
- Provide medical and dental benefits;
- Offer annual body check-ups for all staff; and
- Prohibit smoking in workplaces.

The Group has not suffered any loss in working days due to work-related injuries in the past three reporting years, and the number of work-related fatalities has been zero in each of the past three reporting years.

Development and Training

The Group firmly believes that it is crucial to provide employees with appropriate and sufficient training, which will not only enhance their work ability, but also stimulate their work potential and promote teamwork. The Group provides employees with appropriate training based on their work nature and positions to enhance their skills and keep abreast of the latest changes in laws, regulations and business environment. The Group also encourages its employees to participate in external training programs and take professional qualification examinations, and it supports its employees by providing reimbursements to eligible staff.

	2024	2023	Unit
Percentage of trained employees			
Total percentage of trained employees[6]	75.00	60.42	%
By gender[7]			
Male	57.58	58.62	%
Female	42.42	41.38	%
By employee category[8]			
Senior management	9.09	3.45	%
Middle management	21.21	–	%
Frontline and other staff	69.70	96.55	%
Employee training hours			
Total training hours	78	109	hour
Average training hours per employee[9]	1.77	2.27	hour
Average hours of training by gender			
Male	2.23	2.34	hour/employee
Female	1.11	2.16	hour/employee
Average hours of training by employee category			
Senior management	1.67	0.33	hour/employee
Middle management	19.00	–	hour/employee
Frontline and other staff	1.35	2.45	hour/employee

[6] The percentage of trained employees is calculated as (total number of employees trained during the Reporting Period/total number of employees as of 31 December of the reporting year) x 100%.

[7] The percentage of trained employees by gender is calculated as (total gender of trained employees/total number of trained employees during the Reporting Period) x 100%.

[8] The percentage of employees trained by employee category is calculated as (total number of employees trained/total number of employees trained during the Reporting Period) x 100%.

[9] The average number of training hours per employee is calculated as (total number of training hours during the Reporting Period/total number of employees as of 31 December of the reporting year) x 100%.

Labour Standards

Prevent the Use of Child Labour and Forced Labour

The Group strictly prohibits the use of child and forced labour. Through the well-established recruitment policies, including verifying the identity documents of all applicants by Human Resources Department during the recruitment process to ensure that our employees are all above the minimum legal working age and no forced labour is hired. In case any irregularities in ages, identities and/or validities of employment status were found, employment will be terminated immediately and conduct an investigation. Further follow-up actions will be taken if necessary.

During the Reporting Period, the Group did not identify any violations of the Employment Ordinance, the Employment of Children Regulations or other relevant laws and regulations on the prevention of child labour or forced labour.

Operating Practices

Supply Chain Management

The Group's suppliers primarily consist of trading platforms service providers, financial information solution service providers, financial and consulting service providers, etc. The Group is committed to minimizing potential environmental and social risks in the supply chain. We are committed to implementing strict procurement procedures and selecting suppliers through a transparent and fair procurement process. During the process of selecting suppliers, the Group evaluates and assesses the suppliers' quality of services and products, their experience and track record, and performance in corporate social responsibility, including their environmental, social and ethical standards. The Group will only select suppliers and partners with good business records in the past and no serious violations of regulations or business ethics. Preference is given to suppliers who demonstrate their environmental commitment. If the conduct of any supplier is found to be inconsistent with the Group's policies during the course of the cooperation, the cooperation will be immediately discontinued until the situation is improved.

During the Reporting Period, the Group's suppliers were distributed by region as follows:

Region	Number of suppliers	
	2024	2023
Hong Kong	**37**	37
China	**2**	2
Total	**39**	39

Product Services and Responsibilities

Protecting Customer Privacy

The Group places the highest priority on protecting the privacy of our customers and employees in the collection, processing and use of their personal data in compliance with Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). In order to protect personal data, the Group has formulated "Information Technology Management System Policy" based on relevant regulations to ensure compliance. The policy clearly outlines the procedures for accessing, transmitting and managing customer information to prevent improper disclosure or misuse of customer information. In addition, the Group has also implemented information system control, standardized the use and storage of data, and regularly maintained the information system to prevent unauthorized persons from intruding and obtaining relevant customer information. The Group has signed confidentiality agreements with relevant employees to maintain the security of customer information and transaction confidentiality. The Group will only the collect personal information necessary for the conduct of business and such information will not be used for purposes without the consent of the relevant persons. Personal data will not be transferred or disclosed to non-members of the Group or the public.

During the Reporting Period, we were not aware of any non-compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

Service Quality and Complaint Handling

Ensuring service quality remains the foremost priority in the Group's operations. The Group persists in delivering top-notch services to meet and exceed customer expectations.

The Group has in place procedures relating to the services and products provided. To suit the client's needs, the financial services or products provided to clients are based on their financial background, trading experience and risk tolerance level after the "Know Your Clients" procedures and assessment processes were performed. We are committed to providing clear and balanced information to clients. Product features, terms and conditions, and any associated risks are clearly communicated to ensure clients can make an informed decision. Moreover, all marketing materials must be based on facts and do not contain any biased opinions intended to mislead customers into making purchases. The Group is responsible for ensuring that the content of all marketing materials and statements is true and accurate. Before making any investment recommendations to customers, an investment risk profile assessment must be conducted to ensure that the recommended investment products are most in line with the customer's own investment risk profile.

The Group has established a procedure for handling complaints, allowing all customers to submit complaints via email, letters, or telephone. Complaints will be addressed by the appropriate personnel or department heads. The Group will consistently evaluate received complaints and implement corrective actions to prevent the recurrence of similar issues.

During the Reporting Period, the Group did not receive any significant complaints.

Protect Intellectual Property

The Group strictly abides by the Copyright Ordinance (Chapter 528 of the Laws of Hong Kong) and other relevant laws and regulations. We develop standardized procurement processes to standardize the procurement of office software and hardware, ensuring that only software, hardware and hardware with formal copyrights are used. During the Reporting Period, we did not receive any complaints regarding intellectual property infringement.

Anti-corruption and Combating Money Laundering

We are well aware that financial crimes can have significant consequences for our Group. The Group adopts a zero-tolerance policy against financial crimes such as corruption, bribery, extortion, fraud, money laundering, insider trading, monopoly and competitive behaviour. Employees are strictly mandated to adhere to the 'Code of Conduct for Persons Licensed or Registered by the Securities and Futures Commission,' the 'Anti-Money Laundering and Counter-Terrorist Financing Ordinance' (Chapter 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong).

All employees have the opportunity to report any suspected instances of corruption or money laundering anonymously, with the assurance that the identity of the reporter will be kept confidential and protected throughout the investigation process. We will seriously follow up on complaints related to ethics and integrity and thoroughly investigate suspicious cases. If any employee is found to have violated the Code of Conduct, we will immediately terminate the relevant employee's contract and reserve the right to take necessary legal action.

During the Reporting Period, there were no concluded legal cases (2023: Nil) regarding corrupt practices brought against the Group or its employees and no significant risks relating to corruption had been identified. Directors and relevant staff are provided with training materials on anti-corruption and ethical issues in order to strengthen business ethics and to keep them updated in relation to regulatory and ethical requirements.

Community Investment

The Group believes that the healthy development of the community is beneficial to the community and the Group. In order to cultivate a responsible corporate culture, the Group encourages employees to participate in volunteer activities. During the Reporting Period, even though the Group did not participate in community investment activities, it expects to make more commitments in community investment to improve social well-being in the future, such as by participating in compulsory education, environmental protection, community cleaning and other activities.

HONG KONG EXCHANGES AND CLEARING LIMITED ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
A. Environmental		
Aspect A1: Emissions		
General disclosures	Information on: (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges to water and land, generation of hazardous and non-hazardous waste, etc.	Environmental
KPI A1.1	The types of emissions and respective emissions data.	Environmental
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production, per facility).	Environmental
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity.	Not applicable to the Group's business
KPI A1.4	Total non-hazardous waste produced (in tonnes and, where appropriate, intensity (e.g. per unit of output, per facility).	Environmental
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
Aspect A2: Use of Resources		
General disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption (e.g. electricity, gas or oil) by type in total (calculated in thousands of kilowatt hours)and intensity (e.g. calculated per unit of production, per facility.	Environmental Performance Indicator
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production, per facility).	Water Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
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.	Water Resources
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable to the Group's business
Aspect A3: The Environment and Natural Resources		
General disclosures	Policies on minimising the issuer's significant impact on the environment and natural resources.	Emissions Use of Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Environmental
Aspect A4: Climate Change		
General disclosures	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
KPI A4.1	Describe the major climate-related issues that have and may have an impact on the issuer, and the response actions.	Climate Change

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and welfare.	Employment and Labour Practices Diversity, Equality and Inclusion Recruitment, Promotion and Benefits
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee Distribution and Employee Turnover Rate
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Distribution and Employee Turnover Rate
Aspect B2: Health and Safety		
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities in each of the past three years (including the reporting year).	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
Aspect B3: Development and Training		
General disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards Prevent the Use of Child Labour and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards Prevent the Use of Child Labour and Forced Labour
KPI B4.2	Describe the steps taken to eliminate a violation when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
Operating Practices		
Aspect B5: Supply Chain Management		
General disclosures	Policy for managing environmental and social risks in the supply chain.	Operating Practices
KPI B5.1	Number of suppliers by geographical region	Supply Chain Management
KPI B5.2	Description of practices relating to engaging supplies, number of supplies where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters concerning products and services provided and methods of redress.	Products Services and Responsibilities
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable to the Group's business
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Service Quality and Complaint Handling
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protect Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable to the Group's business
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protect Customer Privacy

Subject Areas, Aspects, General Disclosures and Key Performance Indicators		Section
Aspect B7: Anti-corruption		
General disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the prevention of bribery, extortion, fraud and money laundering.	Anti-corruption and Combating Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption and Combating Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption and Combating Money Laundering
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption and Combating Money Laundering
Aspect B8: Community Investment		
General disclosures	Policies on community engagement to understand the needs of the communities where we operate and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (such as education, environmental issues, labour needs, health, culture, sports).	Community Investment
KPI B8.2	Resources contributed to the focus area (such as money or time).	Community Investment

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TO THE MEMBERS OF
CHINA VERED FINANCIAL HOLDING CORPORATION LIMITED

(incorporated in Hong Kong with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of China Vered Financial Holding Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 175, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" section of our report, 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 Companies Ordinance.

Basis for Qualified Opinion

Investment in an unlisted investment fund

As disclosed in note 20 to the consolidated financial statements, the Group invested in 50% interest in a fund (the "Fund F") which is managed by an external fund manager (the "Fund Manager E") and has been accounted for as financial asset at fair value through profit or loss as at 31 December 2024. The original cost of investment in the Fund F amounted to approximately HK$77,981,000. As at 31 December 2024, the carrying value of the Fund F was approximately HK$60,219,000 (2023: approximately HK$67,976,000) with a fair value loss of approximately HK$7,757,000 (2023: approximately HK$5,891,000) recognised in the consolidated statement of profit or loss during the year ended 31 December 2024 in respect of the Fund F.

As explained in note 20 to the consolidated financial statements, during the year ended 31 December 2024 and up to the date of approval of the consolidated financial statements, after taking active measures, the Group successfully obtain sufficient documentary evidence including the financial information and the valuation of the underlying assets of the Fund F as at 31 December 2024 from the Fund Manager E.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Basis for Qualified Opinion *(Continued)*

Investment in an unlisted investment fund *(Continued)*

Despite the above, given the lack of sufficient appropriate audit evidence to evaluate the fair value of the Fund F (including the underlying investments of the Fund F) as at 31 December 2023, we were unable to verify the opening carrying value of the Fund F as at 1 January 2024 and the timing of the relevant fair value loss on investment recognised in relation to the Fund F. Therefore, we were unable to determine whether any adjustments to the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment recognised in respect of the Fund F for the years ended 31 December 2024 and 2023 were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2024.

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

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the 2024 annual report of the Company other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence regarding whether any adjustments were necessary on the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment for the years ended 31 December 2024 and 2023. Accordingly, we are unable to conclude whether or not the other information is materially inconsistent or misstated with respect to these matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which were categorised as level 3	
Refer to notes 2.8, 3.5, 4.1, 20 and 21 to the consolidated financial statements. As at 31 December 2024, the Group held financial assets classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income with carrying value of HK$2,856,076,000 and HK$38,761,000 respectively, which were categorised as level 3 in the fair value hierarchy. Management engaged independent external valuer to perform valuations on certain financial assets at the end of the reporting period. In assessing valuation of such assets, management exercise significant judgement on the selection of appropriate valuation techniques such as market approach, discounted cash flows and net asset value method which include unobservable inputs such as price to sales ratio, price to book ratio, discount rates, and liquidity discounts, etc. We have identified the above matter as a key audit matter due to the materiality of the balances and the high degree of subjectivity and management judgement. Due to the fact that availability of market data and observable inputs is limited for these financial assets, management judgement is involved in both selection of appropriate valuation technique and unobservable inputs.	Our key procedures, among other, included: • Obtained an understanding of the management's internal control over the valuation of the financial assets categorised as level 3 and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • Based on the results of risk assessments, involved our experts to review the reasonableness of the valuation by assessing the model, inputs and key assumptions adopted, as appropriate; • Evaluated the competence, capabilities and objectivity of the independent qualified professional valuer and our experts; • Assessed the appropriateness of the valuation techniques based on our industry knowledge and the market practices; • Verified key inputs and information identified by management that were used in the valuation against the underlying source documentation, including external report relevant for valuation; and • Assessed the need of key valuation adjustments by challenging management on the appropriateness of key assumptions based on available information and facts and circumstances of these financial assets without quoted price in active market.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of expected credit losses ("ECL") of loan and interest receivables, margin receivables, other interest receivables, financial assets at amortised cost and debt investments at fair value through other comprehensive income	
Refer to notes 2.9, 3.2, 4.1, 21, 22, 23 and 25 to the consolidated financial statements. As at 31 December 2024, the Group had loan and interest receivables, margin receivables, other interest receivables, financial assets at amortised cost and debt investments at fair value through other comprehensive income of approximately HK$118,175,000, HK$1,867,000, HK$5,865,000, HK$26,007,000 and HK$238,399,000 respectively, after provision of ECL of HK$263,544,000, HK$97,587,000, HK$21,141,000, HK$136,853,000 and HK$553,764,000 respectively. The Group assessed whether the credit risk of loan and interest receivables, margin receivables, other interest receivables, financial assets at amortised cost and debt investments at fair value through other comprehensive income has increased significantly since their initial recognition, and apply a three-stage impairment model to calculate their ECL. In assessing the provision of ECL, management exercise significant judgement on the selection of unobservable data inputs to this three-stage impairment model including probability of default, exposure at default, loss given default and discount rate. We have identified the above matter as a key audit matter because it involves critical accounting estimates and judgements on management assessment and identification of significant changes in borrowers' and issuers' credit risk and selection of key unobservable inputs to the three-stage impairment model.	Our key procedures, among other, included: • Evaluated management's key control over the identification of significant changes in borrowers' and issuers' credit risk based on established criteria. The key controls are the watch list monitoring, staging allocation approval and review of quarterly credit monitoring reports by the risk function; • With the support of our expert assessed the application of key ECL model definitions, staging, model methodologies, key inputs and assumptions; • Evaluating the competence, capabilities and objectivity of our expert; • Assessed and challenged the reasonableness of the management judgement in determining the criteria for significant increase in credit risk, and definition of credit-impaired. We also tested the application of such criteria for the staging allocation; and • Tested the completeness and accuracy of key ECL data inputs on a sample basis by reviewing the counterparties' credit information such as credit risk ratings, overdue status and other relevant information.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE 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 as issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

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

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

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

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

REPORT ON OTHER MATTERS UNDER SECTIONS 407(2) AND 407(3) OF THE COMPANIES ORDINANCE

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding whether any adjustments were necessary on the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment for the years ended 31 December 2024 and 2023 as described in the Basis for Qualified Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 28 March 2025

The engagement director on the audit resulting in this independent auditor's report is:
Fong Chin Lung
Practising Certificate Number: P07321

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Interest income		62,400	76,241
Commission and fee income		21,036	26,760
Investment income		25,956	11,384
Total revenue	5, 6	109,392	114,385
Net gain on financial assets/liabilities	7	436,481	81,810
Other loss		(6,078)	(7,047)
Trading costs		(12,872)	(2,299)
Staff costs and related expenses	11	(157,864)	(78,086)
Premises expenses		(11,019)	(12,497)
Legal and professional fees		(14,185)	(19,250)
Depreciation	15	(1,253)	(1,721)
Information technology expenses		(5,053)	(10,367)
Expected credit losses ("ECL")	9	(39,179)	(49,389)
Other operating expenses		(14,876)	(21,288)
Write-off of other intangible assets	17	–	(902)
Share of post-tax loss of associates	19	(9,167)	(7,195)
Finance costs	8	(700)	(1,398)
Profit/(loss) before income tax	9	273,627	(15,244)
Income tax expense	10	(50,431)	(8,317)
Profit/(loss) for the year		223,196	(23,561)
Profit/(loss) attributable to:			
— Owners of the Company		222,816	(24,834)
— Non-controlling interests		380	1,273
		223,196	(23,561)
		HK Cents per share	HK Cents per share
Earnings/(loss) per share attributable to owners of the Company			
Basic earnings/(loss) per share	14	0.64	(0.08)
Diluted earnings/(loss) per share	14	0.64	(0.08)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year		**223,196**	(23,561)
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value on equity instruments at fair value through other comprehensive income, net of tax	21(a)&(b)	**(20,836)**	(104,917)
Items that may be reclassified subsequently to profit or loss			
Net change in fair value on debt instruments at fair value through other comprehensive income, net of tax		**2,511**	(55,887)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	21(c)	**(796)**	31,450
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income		**5,318**	(85)
Exchange differences on translation of foreign operations		**(26,252)**	(13,344)
Other comprehensive loss for the year, net of tax		**(40,055)**	(142,783)
Total comprehensive income/(loss) for the year		**183,141**	(166,344)
Total comprehensive income/(loss) for the year attributable to:			
— Owners of the Company		**183,424**	(167,301)
— Non-controlling interests		**(283)**	957
		183,141	(166,344)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	8,535	1,403
Right-of-use assets		10,277	2,444
Goodwill	16	5,079	5,079
Other intangible assets	17	–	–
Investments in associates	19	68,731	77,898
Rental and other deposits		3,385	3,130
Loan and interest receivables	25	–	79,900
Financial assets at fair value through profit or loss	20	2,850,203	2,096,875
Financial assets at fair value through other comprehensive income	21	254,580	336,434
Deferred tax assets	10	138,849	130,671
Total non-current assets		3,339,639	2,733,834
Current assets			
Margin receivables and other trade receivables	23	12,774	66,565
Other receivables, prepayments and deposits	24	11,148	66,005
Loan and interest receivables	25	118,175	129,986
Other interest receivables		5,865	13,195
Financial assets at fair value through profit or loss	20	664,944	387,672
Financial assets at fair value through other comprehensive income	21	88,874	16,013
Financial assets at amortised cost	22	26,007	2,412
Tax receivables		–	170
Deposits with brokers	26	42,537	213,008
Cash and cash equivalents	26	419,733	689,636
Total current assets		1,390,057	1,584,662
Total assets		4,729,696	4,318,496

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	29	4,582,684	4,454,374
Other reserves	30	(82,939)	(216,963)
Accumulated losses		(120,995)	(255,035)
		4,378,750	3,982,376
Non-controlling interests		6,288	6,581
Total equity		4,385,038	3,988,957
LIABILITIES			
Non-current liabilities			
Lease liabilities		8,956	–
Deferred tax liabilities	10	–	5,805
Total non-current liabilities		8,956	5,805
Current liabilities			
Accruals and other payables	27	138,331	161,758
Loan and interest payables	28	–	27,639
Financial liabilities at fair value through profit or loss	20	9,892	6,925
Current tax liabilities		185,544	124,793
Lease liabilities		1,935	2,619
Total current liabilities		335,702	323,734
Total liabilities		344,658	329,539
Total equity and liabilities		4,729,696	4,318,496
Net current assets		1,054,355	1,260,928
Total assets less current liabilities		4,393,994	3,994,762

Approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Li Feng	**Xie Fang**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company											
	Share capital HK$'000	Capital reduction reserve HK$'000	Shares held for share award plan HK$'000	Special capital reserve HK$'000	Foreign currency translation reserve HK$'000	Statutory surplus reserve HK$'000	Investment revaluation reserve non-recycling HK$'000	Investment revaluation reserve recycling HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-Controlling Interests HK$'000	Total Equity HK$'000
Balance at 1 January 2024	4,454,374	140,850	(178,292)	726,699	(42,471)	1,542	(869,878)	4,587	(255,035)	3,982,376	6,581	3,988,957
Comprehensive income												
Profit for the year	–	–	–	–	–	–	–	–	222,816	222,816	380	223,196
Other comprehensive (loss)/income												
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(20,836)	2,511	–	(18,325)	–	(18,325)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	(796)	–	(796)	–	(796)
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	5,318	–	5,318	–	5,318
Exchange differences on translation of foreign operations	–	–	–	–	(25,589)	–	–	–	–	(25,589)	(663)	(26,252)
Total comprehensive (loss)/income for the year ended 31 December 2024	–	–	–	–	(25,589)	–	(20,836)	7,033	222,816	183,424	(283)	183,141
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	–	–	–	–	–	–	(4,876)	–	4,876	–	–	–
Transactions with owners, recognised directly in equity												
New shares issued	128,310	–	–	–	–	–	–	–	–	128,310	–	128,310
Release of shares held for share award plan	–	–	178,292	–	–	–	–	–	(93,831)	84,461	–	84,461
Change in ownership interests of a subsidiary without change of control	–	–	–	–	–	–	–	–	179	179	(10)	169
Balance at 31 December 2024	4,582,684	140,850	–	726,699	(68,060)	1,542	(895,590)	11,620	(120,995)	4,378,750	6,288	4,385,038

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company											
	Share capital HK$'000	Capital reduction reserve HK$'000	Shares held for share award plan HK$'000	Special capital reserve HK$'000	Foreign currency translation reserve HK$'000	Statutory surplus reserve HK$'000	Investment revaluation reserve non-recycling HK$'000	Investment revaluation reserve recycling HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-Controlling Interests HK$'000	Total Equity HK$'000
Balance at 1 January 2023	4,454,374	140,850	(178,764)	726,699	(29,443)	1,542	(764,779)	29,109	(230,012)	4,149,576	5,624	4,155,200
Comprehensive(loss)/income												
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(24,834)	(24,834)	1,273	(23,561)
Other comprehensive (loss)/income												
Net change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	–	–	(104,917)	(55,887)	–	(160,804)	–	(160,804)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	31,450	–	31,450	–	31,450
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	(85)	–	(85)	–	(85)
Exchange differences on translation of foreign operations	–	–	–	–	(13,028)	–	–	–	–	(13,028)	(316)	(13,344)
Total comprehensive (loss)/income for the year ended 31 December 2023	–	–	–	–	(13,028)	–	(104,917)	(24,522)	(24,834)	(167,301)	957	(166,344)
Transfer of gain on disposal of equity instruments at fair value through other comprehensive income to accumulated losses	–	–	–	–	–	–	(182)	–	182	–	–	–
Transactions with owners, recognised directly in equity												
Release of shares held for share award plan	–	–	472	–	–	–	–	–	(371)	101	–	101
Balance at 31 December 2023	4,454,374	140,850	(178,292)	726,699	(42,471)	1,542	(869,878)	4,587	(255,035)	3,982,376	6,581	3,988,957

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Cash flows from operating activities		
Profit/(loss) before income tax	273,627	(15,244)
Adjustments for:		
Interest income	(62,400)	(76,241)
Dividend income	(25,956)	(11,384)
Depreciation of property, plant and equipment	1,253	1,721
Depreciation of right-of-use assets (included in premises expenses)	2,985	8,299
Gain on disposal of subsidiaries	(251)	–
Gain on disposal of property, plant and equipment	(277)	–
Write-off of property, plant and equipment	2	60
Write-off of intangible assets	–	902
Share of loss from investments accounted for using equity method	9,167	7,195
Share-based payment expense	84,461	101
ECL allowances	39,179	49,389
Net gain on financial assets/liabilities	(436,481)	(81,810)
Finance costs	700	1,398
Foreign exchange loss on operating activities	8,078	7,146
Operating cash flows before movements in working capital	(105,913)	(108,468)
Change in margin receivables and other trade receivables, other receivables, prepayments and deposits	74,374	(6,828)
Change in loan receivables	91,349	(95,451)
Change in deposits with brokers	170,471	(113,655)
Change in accruals and other payables	(23,427)	71,076
Cash generated from/(used in) operations	206,854	(253,326)
Purchases of financial assets at fair value through profit or loss	(1,373,466)	(467,302)
Purchases of financial assets at fair value through other comprehensive income	(280,715)	(170,728)
Purchases of financial assets at amortised cost	(38,939)	–
Proceeds from disposal of financial assets at fair value through profit or loss	875,652	374,557
Proceeds from disposal of financial assets at fair value through other comprehensive income	206,912	102,229
Proceeds from disposal of financial assets at amortised cost	15,623	29,305
Proceeds from other financial liabilities at fair value through profit or loss	2,480	20,500
Settlement of other financial liabilities at fair value through profit or loss	(7,614)	(13,575)
Capital distribution from financial assets at fair value through profit or loss	26,500	–
Capital distribution from financial assets at fair value through other comprehensive income	64,471	–
Dividend received	25,956	11,384
Bank and other interest received	62,871	54,552
Interest paid	(1,692)	(406)
Income tax paid	(3,418)	(312)
Net cash used in operating activities	(218,525)	(313,122)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Cash flows from investing activities			
Net cash outflow from derecognition of a consolidated investment fund	20	–	(28,963)
Purchases of property, plant and equipment		(8,399)	(105)
Proceeds from disposal of property, plant and equipment		285	–
Increase in investments in associates		–	(902)
Capital distribution received from an associate		–	1,548
Dividend received from an associate		–	1,399
Net cash used in investing activities		(8,114)	(27,023)
Cash flows from financing activities			
(Repayment of)/proceeds from loan payables	36	(26,647)	26,647
Principal elements of lease rentals paid	36	(2,546)	(8,726)
Proceeds from disposal of ownership interest of a subsidiary without loss of control		169	–
Net cash (used in)/from financing activities		(29,024)	17,921
Net decrease in cash and cash equivalents		(255,663)	(322,224)
Cash and cash equivalents at the beginning of the year		689,636	1,028,332
Effects of exchange rate changes		(14,240)	(16,472)
Cash and cash equivalents at the end of the year, represented by bank balances	26	419,733	689,636

1. GENERAL INFORMATION

China Vered Financial Holding Corporation Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered and business office is Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

- 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

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future reporting periods.

New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person of Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the executive directors as its chief operating decision maker.

2.5 Foreign currency translation

(a) Functional and presentation currency

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 thousands of HK dollars ("HK$'000"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 the consolidated statement of profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within "Finance costs". All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within "Other loss".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, except that for non-monetary financial assets, such as equities, classified as financial assets at fair value through other comprehensive income, in which case with translation differences are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the reporting period;

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.5 Foreign currency translation *(Continued)*

(c) Group companies (Continued)

(b) income and expenses for each consolidated statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the lease term of 5 years
Furniture, fixtures and office equipment	20%
Software	20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other loss" in the consolidated statement of profit or loss.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.7 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Trading right and license

Separately acquired licences are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of reporting period.

2.8 Financial assets

Initial recognition and measurement

Financial assets within the scope of HKFRS 9 are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired and the contractual cash flows of the financial assets. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Initial recognition and measurement *(Continued)*

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

Assets are classified as current assets if expected to be realised within 12 months; otherwise, they are classified as non-current.

The Group's financial assets include margin receivables and other trade receivables, other receivables, deposits, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, financial assets at amortised cost, loan and interest receivables, other interest receivables, deposits with brokers and cash and bank balances.

Transfers between levels of the fair value hierarchy are deemed to be occurred at the beginning of the reporting period.

Subsequent measurement

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

(i) *Financial assets at fair value through profit or loss ("FVPL")*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at FVPL. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss within "Net gain on financial assets/liabilities" in the period in which they arise. These net fair value changes do not include any interest earned on these financial assets. Interest income is recognised in revenue on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the gross carrying amount of the financial asset.

Financial assets designated upon initial recognition at FVPL are designated at the date of initial recognition and only if the criteria under HKFRS 9 are satisfied.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

Subsequent measurement *(Continued)*

(ii) Financial assets at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as loan and interest receivables, margin receivables, other trade receivables, other receivables, deposits, other interest receivables and some debt securities, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes the directly attributed transactions costs.

The Group may commit to underwriting loans on fixed contractual terms for specified periods of time. When the loan arising from the lending commitment is expected to be held for trading, the commitment to lend is recorded as a financial liabilities at fair value through profit or loss by initial recognition. When the Group intends to hold the loan, the loan commitment is included in the impairment calculations set out below.

(iii) Financial assets at fair value through other comprehensive income ("FVOCI")

(a) Debt instruments

Financial assets held for a business model that is achieved by both selling and collecting contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. These comprise primarily debt securities. They are recognised on the trade date when the Group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the consolidated statement of profit or loss as "Net gain on financial assets/ liabilities".

(b) Equity instruments

The equity securities and investment funds for which fair value movements are shown in other comprehensive income are for business facilitation and other similar investments where Group holds the investments other than to generate a capital return. Otherwise, equity investments are measured at fair value through profit or loss. Gains or losses on derecognition of these equity investments are not transferred to profit or loss, except for dividend income which is recognised in profit or loss.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of amortised cost and debt investments at fair value through other comprehensive income

Expected credit losses ("ECL") are recognised for loan and interest receivables, margin receivables, financial assets at amortised cost, other interest receivables and debt investments at fair value through other comprehensive income. At initial recognition, allowance (or provision in the case of some loan commitments and financial guarantees) is required for ECL resulting from default events that are possible within the next 12 months (or less, where the remaining life is less than 12 months) ("12-month ECL"). In the event of a significant increase in credit risk, allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ("lifetime ECL"). Financial assets where 12-month ECL is recognised are considered to be "stage 1"; financial assets which are considered to have experienced a significant increase in credit risk are in "stage 2"; and financial assets for which there is objective evidence of impairment so are considered to be in default or otherwise credit-impaired are in "stage 3". Purchased or originated credit-impaired financial assets (POCI) are treated differently as set out below.

Unimpaired and without significant increase in credit risk (stage 1)

ECL resulting from default events that are possible within the next 12 months ("12-month ECL") are recognised for financial instruments that remain in stage 1.

Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment explicitly or implicitly have experienced a significant increase in credit risk, taking into account reasonable and supportable information, including information about past events, current conditions and future economic conditions. The assessment is unbiased, probability-weighted, and to the extent relevant, uses forward-looking information consistent with that used in the measurement of ECL. The analysis of credit risk is multifactor. The determination of whether a specific factor is relevant and its weight compared with other factors depends on the characteristics of the financial instrument, the borrower and their industries. Therefore, it is not possible to provide a single set of criteria that will determine what is considered to be a significant increase in credit risk and these criteria will differ for different types of client. However, unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due. In addition, corporate and commercial customers, and included on a watch or worry list are included in stage 2.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.9 Impairment of amortised cost and debt investments at fair value through other comprehensive income *(Continued)*

Credit-impaired (stage 3)

The Group determines that a financial instrument is credit-impaired and in stage 3 by considering relevant objective evidence, primarily whether:

— contractual payments of either principal or interest are 90 days past due or above;

— there are other indications that the borrower is unlikely to pay such as that a concession has been granted to the borrower for economic or legal reasons relating to the borrower's financial condition; and

— the loan is otherwise considered to be in default.

If such unlikeliness to pay is not identified at an earlier stage, it is deemed to occur when an exposure is 90 days past due.

Interest income is recognised by applying the effective interest rate to the amortised cost amount, i.e. gross carrying amount less ECL allowance.

Write-off

Financial assets (and the related impairment allowances) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans are secured, this is generally after receipt of any proceeds from the realisation of collateral. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

Movement between stages

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described above. Except for renegotiated loans, financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. For loans that are assessed for impairment on a portfolio basis, the evidence typically comprises a history of payment performance against the original or revised terms, as appropriate to the circumstances. For loans that are assessed for impairment on an individual basis, all available evidence is assessed on a case-by-case basis.

Measurement of ECL

The assessment of credit risk, and the estimation of ECL, are unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.10 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active market, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

2.11 Financial liabilities

Financial liabilities measured at fair value through profit or loss refers to (i) shares of an unlisted consolidated investment fund held by parties other than the Group and (ii) other financial liabilities. The shares are classified as financial liabilities as they are puttable by the holders.

Except for financial liabilities measured at fair value through profit or loss, other financial liabilities including loan and interest payables, margin payables, trade payables and other payables are subsequently measured at amortised cost, using the effective interest method.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. The Group applies the HKFRS 9 simplified approach to measure ECL which uses lifetime ECL allowance for all trade receivables.

2.14 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.15 Collateral

Cash collateral provided by the Group, if any, is identified in the statement of financial position as "Pledged bank balances" and are not included as a component of cash and cash equivalents.

2.16 Segregated accounts

Segregated accounts maintained by the Group to hold clients' monies are treated as off statement of financial position items and are disclosed in note 26 to the consolidated financial statements.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend on ordinary shares is recognised as a liability in the consolidated financial statements in the period in which it is approved by the shareholders or directors where appropriate.

2.18 Loan payables and margin payables

Loan payables and margin payables are recognised initially at fair value, net of transaction costs incurred. Borrowings, including loan payables and margin payables, are subsequently carried at amortised cost; any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the consolidated statement of profit or loss as "Finance costs" over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Loan payables and margin payables are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Loan payables and margin payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.19 Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business. Trade payables are normally classified as current liabilities in normal operating cycle of business even if they are due to be settled more than twelve months after the reporting period.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.19 Trade payables *(Continued)*

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.20 Repurchase agreements

The obligations under repurchase agreements arises when the securities re-pledged are sold by the Group with a concurrent agreement to repurchase at a specified later date and price. These securities are not required to be derecognised in the consolidated statement of financial position. The consideration received by the Group is recognised as "loan and interest payables" in the consolidated statement of financial position. The Group may be required to provide additional collateral based on the fair value of the underlying assets if necessary. Repurchase agreements are initially measured at fair value and are subsequently measured at amortised cost.

2.21 Current and deferred income tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.21 Current and deferred income tax *(Continued)*

(b) Deferred income tax *(Continued)*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.22 Employee benefits

(a) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs, depending on the location of the subsidiaries, of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) are not used by the Company to reduce the existing level of contributions.

(b) Employee level entitlements

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.22 Employee benefits *(Continued)*

(c) Bonus

The Group recognises a liability and an expense for bonuses, in which the bonus scheme is at the discretion of the Group's Directors based on the Group performance that takes into consideration the profit attributable to the Group after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Share-based payments

Equity-settled share-based payments to employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. 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 shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to certain employees and Directors are measured at the fair value of the services rendered or, if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as expense.

(e) Other termination benefits

The Group recognises a liability and an expense for the remaining remuneration under the employment contract when the employees are voluntarily separated from the Company and they are not considered providing any future economic benefits to the Company.

2.23 Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.24 Revenue recognition

(a) Interest income

Interest income includes interest income from bond investment, note investment, loan lending, bank deposits and margin financing. Interest income for all interest-bearing financial instruments are recognised within "Interest income" in the consolidated statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

(a) *Interest income* *(Continued)*

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

(b) *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 asset management services, consultancy services, financing services, securities advisory and securities brokerage 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.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.24 Revenue recognition *(Continued)*

(b) *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.

The Group's revenue is recognised on the following basis:

Commission and fee income includes brokerage commission income, loan arrangement fee income, performance fee income, management fee income, underwriting fee income and advisory fee income.

Brokerage commission income on dealing in securities contracts is recognised on a trade date basis when the relevant transaction is executed.

Loan arrangement fees are recognised as revenue when the loan has been granted by the Group and accepted by the borrowers and the related arrangement services have been completed.

Performance fees are recognised on the performance fee valuation day of the investment funds and managed accounts when there is a positive performance for the relevant performance period and it is determined that they are no longer highly probable of significant reversal in a subsequent period, taking into consideration the relevant basis of calculation for the investment funds and managed accounts. If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. Before including any estimated amount of variable consideration in the transaction price, the Group considers whether it is constrained based on the historical experience, business forecast and the current economic conditions.

Management fees are recognised as the services are performed over time and are primarily based on agreed upon percentage of the net asset values of the investment funds and managed accounts.

Underwriting commission income are recognised as revenue in accordance with the terms of the underwriting agreement or deal mandate when the relevant significant acts have been completed.

Advisory fee income are recognised when advisory services are rendered.

Other fee income are recognised as revenue when the Group performs its role as an agent and when the corresponding services are rendered.

(c) *Net investment income*

Net investment income includes dividend income which is recognised when the right to receive payment is established.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.25 Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For provision of advisory service, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed (i.e. the timing of revenue recognition for advisory fee income). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2.26 Finance costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

Finance costs include interest expense and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gain and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings.

2.27 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.

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

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.27 Leases *(Continued)*

As lessee (Continued)

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.

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	5 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 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

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.27 Leases *(Continued)*

As lessee (Continued)

(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.

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.

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES *(Continued)*

2.27 Leases *(Continued)*

***As lessee** (Continued)*

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management objective is to enhance shareholder value while retaining exposure within acceptable thresholds in response to changes in markets. The Group has a robust risk management system in place to identify, analyse, assess and manage risks.

The Group's risk management is carried out by the Risk Management Department under policies approved by the board of directors. The Group's Risk Management Department provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating credit risk, market risk, liquidity risk, capital management risk and risk limits setting and monitoring.

The Group's Investment Committee ensures that there are formal and transparent procedures for planning and approving investments for the Group. The Investment Committee meets on a regular basis to review and approve various investment projects to be committed by the Group, and to monitor and assess the risks on the investment projects to ensure that they are in line with the investment strategy and policies of the Group.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Market risk

3.1.1 Foreign exchange risk

The Group has certain exposures to foreign currency risk as some of its business transactions, assets and liabilities are denominated in currencies other than the functional currency, mainly US dollars ("USD"), Renminbi ("RMB"), Japanese yen ("JPY") and Canadian dollars ("CAD"). As USD is pegged to HK$, the Group does not expect any significant movement in the USD/HK$ exchange rate. The directors have also assessed the impact of foreign currency risk and considered that it is insignificant to the Group. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposures closely and will consider hedging significant foreign currency exposures should the need arise.

The following table indicates the impact of management's reasonable expectation on the movement in foreign exchange rate on the Group's profit/(loss) before income tax and on investment revaluation reserve in equity as at 31 December 2024 and 2023:

As at 31 December 2024

	Impact on profit before tax HK$'000	Impact on investment revaluation reserve in equity HK$'000
If Hong Kong Dollar strengthens/weakens against RMB by 5%	-/+ 3,324	-/+ 6,425
If Hong Kong Dollar strengthens/weakens against JPY by 5%	-/+ 9,969	-/+ 10,999
If Hong Kong Dollar strengthens/weakens against CAD by 5%	–	-/+ 395

As at 31 December 2023

	Impact on loss before tax HK$'000	Impact on investment revaluation reserve in equity HK$'000
If Hong Kong Dollar strengthens/weakens against RMB by 5%	+/- 9,884	-/+ 6,287
If Hong Kong Dollar strengthens/weakens against JPY by 5%	+/- 10,872	-/+ 11,912
If Hong Kong Dollar strengthens/weakens against CAD by 5%	–	-/+ 694

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Market risk *(Continued)*

3.1.2 Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as at fair value through other comprehensive income or at fair value through profit or loss. Some of the Group's equity investments are listed on stock exchange in the world and are valued at quoted market prices as at the reporting date.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. The Group's exposures are closely monitored by other relevant internal control units, including the Risk Management Department, the Finance Department, the Legal and Compliance Department and the Internal Audit Department.

Listed equity investments

The table below summarises the impact of changes in the Hong Kong's Hang Seng Index and other relevant indexes on the Group's loss before income tax for the year. The analysis is based on the assumption that the equity index had changed by 5% (2023: 5%) with all other variables held constant and all the listed equity instruments move according to the individual securities historical correlation with the index.

Hong Kong Hang Seng Index, Shenzhen Component Index, Shanghai Composite Index and Standard and Poor's 500 Index

	2024		2023	
	Impact on profit before tax HK$'000	**Impact on equity HK$'000**	Impact on loss before tax HK$'000	Impact on equity HK$'000
Increase/Decrease by 5%	**+/- 9,231**	**-/+ 844**	-/+ 3,306	+/- 3,354

Unlisted investment funds, unlisted equity investments, unlisted debt investment and convertible loan

The fair value of unlisted investment funds, unlisted equity investments, unlisted debt investment and convertible loan depend on the valuation of the respective investments or underlying investments. It is assumed that if the valuation had increased/decreased by 10%, profit/(loss) before income tax for the year would have an estimated increase/decrease by HK$292,008,000 (2023: decrease/increase by HK$223,857,000), and investment revaluation reserve in equity would have an estimated increase/decrease by HK$3,876,000 (2023: increase/decrease by HK$10,876,000).

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Market risk *(Continued)*

3.1.3 Interest rate risk

The Group's exposures to the risk of changes in market interest rates relates primarily to the Group's loan and interest receivables, margin receivables, loan payables, listed debt investments, unlisted notes and cash and bank balances.

As at 31 December 2024, the Group invests in fixed-income bond instruments which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, and therefore the Group is subject to interest rate risk. Interest rate risk is the risk that the value of the Group's portfolio will decline because of rising interest rates. Interest rate risk is generally lower for shorter term fixed-income bond investments and higher for longer term fixed-income bond investments.

The following table illustrates the potential impact, of a parallel upward or downward shift of 50 basis points in relevant interest rates with all other variables remaining constant, on the Group's net profit/(loss) and equity arising substantially from the increase/decrease in market value of debt securities:

	2024 HK$'000	2023 HK$'000
Impact on profit/(loss) before tax	**–/+1,622**	+/–511
Impact on equity	**–/+1,214**	–/+764

The Group's investment in fixed-rate term loans and unlisted notes are of shorter duration and carried at amortised cost and therefore management consider they are not subject to fair value change as a result of change in reasonable possible shift of market interest rate.

Loans to margin clients at floating/variable rates (such as margin receivables) expose the Group to interest rate risk. Interest income on cash at banks and interest expense on borrowing will fluctuate at floating rates based on movement in short term bank interest rate.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's variable interest rate instruments. As at 31 December 2024, if the interest rate had been 50 basis points (2023: 50 basis points) higher/lower, the Group's profit/(loss) before income tax would increase/decrease by HK$1,299,000 (2023: decrease/increase of HK$973,000) and would not have impact to the Group's equity (2023: HK$Nil). The sensitivity analysis above is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2023: 50 basis points) increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk

Credit exposures arise principally from financial assets at fair value through other comprehensive income, financial assets at amortised cost, margin receivables, loan and interest receivables, deposits with brokers, bank balances and client trust bank balances with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated statement of financial position.

Credit risk of the Group mainly arises from credit exposures with respect to margin financing business of the Group's securities brokerage business, investment in debt investments at fair value through other comprehensive income and the loan lending business of the Group. In addition, the Group is exposed to a concentration of credit risk on cash and investments at banks or custodians.

The Group minimises the credit risk by segregating the risk management function from the investment department. This provide a fundamental control to prevent fraud, ensure quality of works, and safeguard the Group's assets as well as integrity of books and records.

The Group manages its credit risk in the following perspectives:

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables

The Group maintains an effective credit risk management system to evaluate creditworthiness of counterparties. The following factors will be considered when determining the credit risk of loan receivables:

1. Counterparties' credit rating by reputable credit rating agencies;

2. Counterparties' investment objective, investment history, and risk appetite;

3. Counterparties' past record and defaults;

4. Counterparties' capital base, the existence and amount of guarantees, and by whom such guarantees are given;

5. Any known events which may have an adverse impact on the counterparties' financial status, potential for default or accuracy of information stored regarding the client; and

6. Where credit is extended to cover margin trading, appropriate haircuts are made to market value to establish the counterparty has adequate equity.

The Group monitors the cash flows from loan receivables to ensure that they are in accordance with mutually signed agreement and the expected timeline. In case there is delay, the Group will communicate with counterparties to identify if there is trigger event on credit risk issue.

The Group uses three categories for loans and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables which reflect their credit risk and how the ECL allowance is determined for each of those categories. Please refer to note 2.9 for definition of these three categories.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables *(Continued)*

Margin Financing Business

Margin clients of the Group are required to pledge their security investments to the Group for the facilities for securities trading. The amount of facilities granted to them is determined by the discounted values of the shares and is monitored on an ongoing basis. The collateral for covering the credit risk exposure in case of default is subject to mark-to-market monitoring on a daily basis.

Default, margin call and forced liquidation procedures are in place for margin clients. When a customer's margin loan balance exceeds the credit limit granted, the Group will generate an alerter to help monitor its status and decide whether any additional collateral is required. The Group will take into consideration of various factors such as customers' background and the interest rate of loan, in particular, the loan-to-value ratio in excess of certain percentage in making requests for additional collateral.

No aging analysis is disclosed as, in the opinion of the Directors, it does not give additional view of the nature of margin finance business. The amount of credit facilities granted to margin clients is determined by the discounted market value of collateral accepted by the Group.

Loan Lending Business and Financial Assets at Amortised Cost

The Group assesses credit risk of loans to corporate clients and note receivables issued by the issuer by performing credit assessments, which are also subject to regular review and monitoring.

For the loans or note receivables guaranteed by a third party, the Group will assess the guarantor's financial condition, credit history and ability to meet obligations.

Risk Management Department provides regular credit management information reports and ad hoc reports to the Investment Committee to facilitate their continuous monitoring of credit risk. In addition, the Group identifies credit concentration risk by industry, geography, client and counterparty. The Group monitors changes to counterparty risk, quality of the credit portfolio and concentration risk, and reports regularly to the Group's Management. The Group adopts loan grading criteria which divides credit assets into three-stage ECL model under the requirement of HKFRS 9.

Debt Investments at Fair Value Through Other Comprehensive Income and Other Interest Receivables

Debt securities are classified as financial assets at fair value through other comprehensive income and at fair value through profit or loss. Other interest receivables mainly arise from the debt securities. The debt securities are mainly listed in The Hong Kong Stock Exchange and overseas exchanges. The Risk Management Department of the Group assesses the financial strengths and performance of the issuers to ensure the issuers satisfy the repayment of principal and interest as they fall due. The Investment Committee limits the size of the debt portfolio and limits the exposure to a single industry and issuer in order to control the credit risk. The Risk Management Department also closely monitors the changes in the credit ratings of the issuers and follows the market news for taking immediate actions if there is an indication of a deterioration of the repayment ability of the issuers.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Other Trade Receivables

For trade receivables arising from underwriting business, due diligence on client's business and repayment ability will be conducted before granting of credit. The Group will closely update client's business change through frequent contact with client. Exit strategies are set in place before granting of each credit.

As at 31 December 2024, trade receivables arising from asset management business including management fee and performance fee receivables from one (2023: two) major investment fund and managed account amounted to HK$8,948,000 (2023: HK$11,576,000) which accounted for 82% (2023: 98%) of the total outstanding balance. Please refer to note 23 below for additional disclosures on credit risk.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for other trade receivables arising from underwriting and asset management businesses and the identified impairment loss amounted to HK$2,800,000 for credit-impaired balance.

Cash and Cash Equivalents

Cash and cash equivalents are placed in various authorised institutions and the Directors consider that the credit risk arising from cash and cash equivalents is minimal.

Three-Stage ECL Model under the requirement of HKFRS 9

The Group has five types of financial assets that are subject to the ECL model under HKFRS 9:

— Loan and interest receivables

— Margin receivables

— Financial assets at amortised cost

— Debt investments at fair value through other comprehensive income

— Other interest receivables

While cash and cash equivalents and other assets are subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Determining Appropriate Models and Assumption of the Measurement of ECL

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since origination or whether an asset is considered to be credit impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). PD, EAD and LGD are defined as follows:

— PD represents the likelihood of a borrower defaulting on its financial obligation.

— EAD is based on the amounts the Group expects to be owed at the time of default.

— LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of EAD.

The ECL is determined by projecting the PD, LGD and EAD for 12-month or lifetime and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates the ECL for 12-month or lifetime, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the effective interest rate or an approximation thereof.

PD is driven by internal credit risk rating, observed historical data and macroeconomic variables. The relationship between PD and macroeconomic variables is developed by the statistical regression model and the lifetime PD is derived by input of forward-looking macroeconomic variables.

The 12-month and lifetime EADs are determined based on the expected payment profile and portfolios, which varies by product type.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Expected Credit Loss Methodology

The estimated loss rates for each class of financial assets are estimated based on historical observed default rates over the expected life of the respective class of financial assets and are adjusted for forward-looking information that is available without undue cost or effort, including macroeconomic data such as GDP growth, unemployment rate and inflation rate.

The Group uses three-stage ECL model under the requirement of HKFRS 9 to reflect the credit risk and how the ECL is determined for each of those stage. Please refer to note 2.9 for definition of these three stages.

ECL is measured at an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The Group adopts three economic scenarios in the ECL measurement to meet the requirements of HKFRS 9. The "Baseline" scenario represents a most likely outcome and the other two scenarios, referred to as "Good" scenario and "Bad" scenario, represent less likely outcomes which are more optimistic or more pessimistic compared to Baseline scenario.

The probability weight assigned for each scenario reflects the observed historical trend for the economic environment, which implements the Group's prudent and consistent credit strategy of ensuring the adequacy of impairment allowance.

The Group updates the macroeconomic factors used in the ECL model and the probability weight of economic scenarios on a semi-annual basis according to the latest available forecast/historical data issued by authoritative institutions.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables

The gross carrying amount of loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables and thus the maximum exposure to loss, are as follows:

	31 December 2024 HK$'000	31 December 2023 HK$'000
Loan and interest receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	9,986	97,186
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	371,733	376,010
Total gross loan and interest receivables	381,719	473,196
Less: ECL allowances	(263,544)	(263,310)
Loan and interest receivables, net of ECL	118,175	209,886
Margin receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	1,867	54,779
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	97,587	63,563
Total gross margin receivables	99,454	118,342
Less: ECL allowances	(97,587)	(63,566)
Margin receivables, net of ECL	1,867	54,776
Financial assets at amortised cost		
Stage 1 — Unimpaired and without significant increase in credit risk	23,441	–
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	139,419	140,378
Total gross financial assets at amortised cost	162,860	140,378
Less: ECL allowances	(136,853)	(137,966)
Financial assets at amortised cost, net of ECL	26,007	2,412
Debt investments at fair value through other comprehensive income		
Stage 1 — Unimpaired and without significant increase in credit risk	217,876	20,498
Stage 2 — Significant increase in credit risk	–	–
Stage 3 — Credit-impaired	20,523	16,013
Total debt investments at fair value through other comprehensive income	238,399	36,511
ECL allowances for debt investments at fair value through other comprehensive income	(553,764)	(592,750)
Other interest receivables		
Stage 1 — Unimpaired and without significant increase in credit risk	5,539	12,892
Stage 2 — Significant increase in credit risk	–	663
Stage 3 — Credit-impaired	21,467	25,046
Total gross other interest receivables	27,006	38,601
Less: ECL allowances	(21,141)	(25,406)
Other interest receivables, net of ECL	5,865	13,195

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables *(Continued)*

The following table reconcile the movement in ECL allowances between the beginning and the end of the financial years:

As at 31 December 2024

	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL HK$'000	Total HK$'000
Loan and interest receivables				
ECL allowances as at 1 January 2024	120	–	263,190	263,310
Changes in inputs or assumptions	42	–	307	349
ECL allowances derecognised during the year	(115)	–	–	(115)
ECL allowances as at 31 December 2024	47	–	263,497	263,544
Margin receivables				
ECL allowances as at 1 January 2024	3	–	63,563	63,566
Transfer from Stage 1 to Stage 3	(3)	–	3	–
Changes in inputs or assumptions	–	–	34,021	34,021
ECL allowances as at 31 December 2024	–	–	97,587	97,587
Financial assets at amortised cost				
ECL allowances as at 1 January 2024	–	–	137,966	137,966
Changes in inputs or assumptions	–	–	(1,113)	(1,113)
ECL allowances as at 31 December 2024	–	–	136,853	136,853
Debt instruments at fair value through other comprehensive income				
ECL allowances as at 1 January 2024	254	–	592,496	592,750
Changes in inputs or assumptions	–	–	(852)	(852)
Net impact on ECL allowances of new financial assets purchased	56	–	–	56
ECL allowances of financial assets written off	(255)	–	(37,935)	(38,190)
ECL allowances as at 31 December 2024	55	–	553,709	553,764
Other interest receivables				
ECL allowances as at 1 January 2024	7	689	24,710	25,406
Changes in inputs or assumptions	–	–	9,878	9,878
ECL allowances derecognised during the year	(7)	(689)	(2,350)	(3,046)
Net impact on ECL allowances of other interest receivables accrued during the year	1	–	–	1
ECL allowances of financial assets written off	–	–	(11,098)	(11,098)
ECL allowances as at 31 December 2024	1	–	21,140	21,141

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables *(Continued)*

As at 31 December 2023

	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL HK$'000	Total HK$'000
Loan and interest receivables				
ECL allowances as at 1 January 2023	–	–	260,266	260,266
Changes in inputs or assumptions	–	–	2,924	2,924
Net impact on ECL allowances of new loans	120	–	–	120
ECL allowances as at 31 December 2023	120	–	263,190	263,310
Margin receivables				
ECL allowances as at 1 January 2023 and 31 December 2023	3	–	63,563	63,566
Financial assets at amortised cost				
ECL allowances as at 1 January 2023	46	–	133,733	133,779
Changes in inputs or assumptions	–	–	4,233	4,233
ECL allowances derecognised during the year	(46)	–	–	(46)
ECL allowances as at 31 December 2023	–	–	137,966	137,966
Debt instruments at fair value through other comprehensive income				
ECL allowances as at 1 January 2023	–	–	561,300	561,300
Changes in inputs or assumptions	–	–	22,042	22,042
Net impact on ECL allowances of new financial assets purchased	254	–	9,154	9,408
ECL allowances as at 31 December 2023	254	–	592,496	592,750
Other interest receivables				
ECL allowances as at 1 January 2023	3	33	17,462	17,498
Changes in inputs or assumptions	–	–	9,263	9,263
ECL allowances derecognised during the year	(3)	(33)	(2,427)	(2,463)
Net impact on ECL allowances of other interest receivables accrued during the year	7	689	412	1,108
ECL allowances as at 31 December 2023	7	689	24,710	25,406

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Margin Financing Business, Loan Lending Business, Financial Assets at Amortised Cost, Debt Investments at Fair Value through Other Comprehensive Income and Other Interest Receivables (Continued)

Based on HKFRS 9 ECL assessment on margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables, the Group recognised a provision for ECL allowances of HK$39,179,000 in profit or loss for the year ended 31 December 2024 (2023: HK$46,589,000).

The significant increase in ECL allowance on margin loans was due to increase in shortfall portion of margin loans which are not fully secured amounted to approximately HK$97,587,000 (2023: HK$63,563,000).

Cash at Banks or Custodians

The Group's bank balances are deposited in reputable and large commercial banks. For the client trust bank balances which are held in segregated accounts, they are deposited in authorised financial institutions in Hong Kong. The credit risk of bank balances and client segregated bank balances are considered to be low. The Group has exposure to the concentration of credit risk from one bank of HK$286,436,000 (2023: HK$225,040,000) with a credit rating of A– by Fitch (2023: BBB by Fitch).

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Recognition of ECL
Non-watch list	The counterparty has a low risk of default and does not have any past-due amounts or has past due amounts but the payment has not been past due for 30 days (margin financing: no shortfall)	12-month ECL
Watch list	There have been significant increases in credit risk since initial recognition through information developed internally or external resources or there is evidence indicating the asset is credit-impaired	Lifetime ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount written off

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Credit risk *(Continued)*

Cash and Investments at Bank or Custodian *(Continued)*

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	2024 Gross carrying amount HK$'000	2023 Gross carrying amount HK$'000
Margin receivables	23	N/A	Non-watch list	12- month ECL	1,867	54,779
			Watch list	Lifetime ECL (credit-impaired)	97,587	63,563
					99,454	118,342
Loan and interest receivables	25	N/A	Non-watch list	12- month ECL	9,986	97,186
			Watch list	Lifetime ECL (credit-impaired)	371,733	376,010
					381,719	473,196
Financial assets at amortised cost	22	N/A	Non-watch list	12- month ECL	23,441	–
			Watch list	Lifetime ECL (credit-impaired)	139,419	140,378
					162,860	140,378
Debt investments at fair value through other comprehensive income (Note 1)	21	"B or above (S&P)/ B2 or above (Moody's)"	Non-watch list	12- month ECL	217,876	20,498
		"B- or below (S&P)/B3 or below (Moody's)"	Watch list	Lifetime ECL (credit-impaired)	20,523	16,013
					238,399	36,511
Other interest receivables		"B or above (S&P)/B2 or above (Moody's)"	Non-watch list	12- month ECL	4,897	2,466
		"B- or below (S&P)/B3 or below (Moody's)"	Non-watch list	12- month ECL	–	10,215
		Unrated	Non-watch list	12- month ECL	642	211
		Unrated	Watch list	Lifetime ECL (not credit-impaired)	–	663
		Unrated	Watch list	Lifetime ECL (credit-impaired)	21,467	25,046
					27,006	38,601
Cash and cash equivalents (Note 2)	26	"BB or above (S&P)/Ba2 or above (Moody's)/BB or above (Fitch)"	N/A	12- month ECL	419,733	684,252
		Not rated	N/A	12- month ECL	–	5,384
					419,733	689,636
Deposits with brokers (Note 2)	26	"BB or above (S&P)/Ba2 or above (Moody's)"	N/A	12- month ECL	41,427	96,542
		Not rated	N/A	12- month ECL	1,110	116,466
					42,537	213,008
Other trade receivables	23	N/A	Non-watch list	Lifetime ECL	10,907	11,789
		N/A	Watch list	Lifetime ECL (credit-impaired)	2,800	2,800
					13,707	14,589
Other receivables and deposits (Note 2)	24	N/A	N/A	12- month ECL	7,415	61,177

Note 1: Debt investments at fair value through other comprehensive income are stated at carrying amount measured at fair value.

Note 2: The Group considers the impacts of the ECL allowances on these financial assets are immaterial and no reconciliation of gross carrying amount and impairment allowance have been prepared.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Liquidity risk

Interest-bearing borrowings are the general sources of funds to finance the operations of the Group. Certain external financing of the Group are subject to floating rates and are renewable upon maturity. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations and compliance with the statutory requirements. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet its short term cash requirements. The Group's liquidity risk management includes making available standby banking facilities and diversifying the funding sources.

Certain subsidiaries of the Group's operations are subject to various statutory liquidity requirements as prescribed by the Hong Kong's Securities and Futures Commission (the "SFC") in accordance with the Hong Kong's Securities and Futures Ordinance (the "HKSFO"). The Group has put in place a monitoring system to ensure that these subsidiaries maintain adequate liquid capital to fund their business commitments and to comply with relevant liquid capital requirements under the HKSFO. The liquidity risk of the Group is managed by regularly monitoring current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and current working capital to meet its liquidity requirements in the short and longer term. The Group holds sufficient cash and deposits on demand to repay its liabilities.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Liquidity risk *(Continued)*

The table below presents the cash flows payable by the Group under financial liabilities by remaining contractual maturities as at 31 December 2024 and 2023. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2024

	On demand or less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities at fair value through profit or loss	9,892	–	–	–	9,892
Lease liabilities	2,345	2,575	7,096	–	12,016
Accruals and other payables	122,448	–	–	–	122,448
	134,685	2,575	7,096	–	144,356

As at 31 December 2023

	On demand or less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Financial liabilities at fair value through profit or loss	6,925	–	–	–	6,925
Loan and interest payables	27,639	–	–	–	27,639
Lease liabilities	2,638	–	–	–	2,638
Accruals and other payables	123,405	–	–	–	123,405
	160,607	–	–	–	160,607

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.4 Capital management

The Group's objectives when managing capital are:

(a) to comply with the liquid capital requirements under the SFC in Hong Kong;

(b) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;

(c) to support the Group's stability and growth; and

(d) to maintain a strong capital base to support the development of its business.

Consistent within others in the industry, the Group monitors capital on the basis of gearing ratio which is calculated as total debt (including margin payables and loan and interest payables) divided by total equity.

The Group's gearing ratio at the end of the reporting period is shown below:

	2024 HK$'000	2023 HK$'000
Total debt	–	27,639
Total equity	4,385,038	3,988,957
Gearing ratio	0%	0.7%

Two subsidiaries (2023: Two) of the Group (the "Licensed Subsidiaries") are registered with the SFC to conduct respective regulated activities in Hong Kong. The Licensed Subsidiaries are subject to liquid capital requirements under the Securities and Futures (Financial Resources) Rules (the "FRR") adopted by the SFC. Under the FRR, the Licensed Subsidiaries must maintain its liquid capital (assets and liabilities adjusted as determined by the FRR) in excess of required liquid capital.

All licensed corporations within the Group complied with their required liquid capital during the years ended 31 December 2024 and 2023.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation

The following table represents the carrying value of financial instruments measured at fair value at the end of reporting period across the three levels of the fair value hierarchy defined in HKFRS 13 Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

Level 1 (highest level):	fair values measured using quoted prices (unadjusted) in active markets.
Level 2:	fair values measured using quoted price in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
Level 3 (lowest level):	fair values measured using valuation techniques in which any significant input is not based on observable market data.

Valuation Process

The Group engages external valuation firm to perform the valuation of investment projects for financial reporting purpose, including level 3 fair values. The external valuation firm reports directly to the Head of Finance of the Group and Head of Finance reports to the Audit Committee ("AC"). Discussions of valuation processes and results are held between the Head of Finance, AC and external valuation firm at least once every six months, in line with the Group's half-yearly reporting periods.

The main level 3 inputs used by the Group are derived and evaluated as follows.

Discount rates for financial assets and financial liabilities are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific of the asset.

Earnings/Sales growth factors for unlisted equity securities are estimated based on market information for similar types of companies.

Contingent consideration — expected cash flows are estimated based on the terms of the sale contract and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and level 3 fair values are analysed at the end of each reporting period during the half-yearly valuation discussion between the Head of Finance, AC and the external valuation firm. As part of this discussion the Head of Finance presents and explains the reason for the fair value movements.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

The following tables present the Group's financial assets and liabilities that are measured at fair value as at 31 December 2024 and 2023.

As at 31 December 2024

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Financial assets at fair value through profit or loss				
— Unlisted equity investments	–	–	2,382,416	2,382,416
— Unlisted investment funds	–	–	450,460	450,460
— Unlisted debt investment	–	–	23,200	23,200
— Listed equity investments	334,696	316,120	–	650,816
— Listed debt investments	–	8,255	–	8,255
— Convertible loan	–	–	–	–
Total	334,696	324,375	2,856,076	3,515,147
Financial assets at fair value through other comprehensive income				
— Unlisted investment funds	–	–	38,761	38,761
— Listed equity investments	61,988	4,306	–	66,294
— Listed debt investments	–	238,399	–	238,399
Total	61,988	242,705	38,761	343,454
Total assets	396,684	567,080	2,894,837	3,858,601
Liabilities				
Financial liabilities at fair value through profit or loss				
— Other financial liabilities	–	–	9,892	9,892
Total liabilities	–	–	9,892	9,892

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

As at 31 December 2023

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Financial assets at fair value through profit or loss				
— Unlisted equity investments	–	–	1,592,505	1,592,505
— Unlisted investment funds	–	–	582,385	582,385
— Unlisted debt investment	–	–	57,603	57,603
— Listed equity investments	136,768	58,064	–	194,832
— Listed debt investments	–	44,223	–	44,223
— Convertible loan	–	–	12,999	12,999
Total	136,768	102,287	2,245,492	2,484,547
Financial assets at fair value through other comprehensive income				
— Unlisted investment funds	–	–	108,762	108,762
— Listed equity investments	90,812	116,362	–	207,174
— Listed debt investments	–	36,511	–	36,511
Total	90,812	152,873	108,762	352,447
Total assets	227,580	255,160	2,354,254	2,836,994
Liabilities				
Financial liabilities at fair value through profit or loss				
— Other financial liabilities	–	6,925	–	6,925
Total liabilities	–	6,925	–	6,925

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily listed equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

Unlisted investment funds classified as level 3 is principally due to their underlying investments are unlisted equity or unlisted debt investments.

The carrying amounts of the group's financial instruments carried at amortised cost approximate its fair values as at 31 December 2024 and 2023.

During the year ended 31 December 2024, there were no transfers between Level 1 and Level 2 fair value measurements (2023: HK$Nil). The following table presents the changes in level 3 items for the years ended 31 December 2024 and 2023 for recurring fair value measurements:

As at 31 December 2024

	Unlisted equity investments HK$'000	Unlisted investment funds HK$'000	Unlisted debt investment HK$'000	Convertible loan HK$'000	Other financial liabilities HK$'000	Total HK$'000
Assets/Liabilities						
Opening balance as at beginning of the year	1,592,505	691,147	57,603	12,999	–	2,354,254
Additions	339,172	109,070	–	–	(2,480)	445,762
Transfer from level 2	–	–	–	–	(6,925)	(6,925)
Disposals/Redemption	–	(195,366)	(14,281)	–	–	(209,647)
Repayment	–	–	–	–	7,614	7,614
Capital distribution	–	(90,971)	–	–	–	(90,971)
Currency translation difference	(6,993)	(10,030)	–	(901)	–	(17,924)
Net gain/(loss) recognised in profit or loss*	457,732	(9,099)	(20,122)	(12,098)	(8,101)	408,312
Net loss recognised in other comprehensive income	–	(5,530)	–	–	–	(5,530)
Closing balance as at the end of the year	2,382,416	489,221	23,200	–	(9,892)	2,884,945
* includes unrealised gain/(loss) recognised in profit or loss attributable to balances held at the end of the reporting period	457,732	(2,773)	(20,110)	(12,098)	(5,478)	417,273

Note:

The transfer from Level 2 to Level 3 fair value measurements for the year ended 31 December 2024 was due to significant increase in unobservable inputs. The Group's policy is to recognise transfers into or out of Level 3 as at the date of the event or change in circumstances that caused the transfer.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

As at 31 December 2023

	Unlisted equity investments HK$'000	Unlisted investment funds HK$'000	Unlisted debt investment HK$'000	Convertible loan HK$'000	Total HK$'000
Assets					
Opening balance as at beginning of the year	1,461,173	549,238	90,674	13,750	2,114,835
Additions	58,175	134,705	–	–	192,880
Disposals/Redemption	(11,303)	(5,638)	(45,377)	–	(62,318)
Transfer from derecognition of a consolidated investment fund	–	27,015	–	–	27,015
Disposals through derecognition of a consolidated investment fund	–	(1,579)	–	–	(1,579)
Currency translation difference	(1,472)	(1,919)	–	(751)	(4,142)
Net gain recognised in profit or loss*	85,932	27,212	12,306	–	125,450
Net loss recognised in other comprehensive income	–	(37,887)	–	–	(37,887)
Closing balance as at the end of the year	1,592,505	691,147	57,603	12,999	2,354,254
* includes unrealised gain recognised in profit or loss attributable to balances held at the end of the reporting period	85,932	27,270	12,127	–	125,329

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

Below is the table setting out quantitative information about fair value measurements using significant unobservable inputs (Level 3).

Equity Investments	Fair value as at 31 December 2024 HK$000	Valuation techniques	Unobservable input	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	1,589,904	Market approach	Price to sales ratio	5.64x	10% increase or decrease in the price to sales ratio, the fair value would be increased by HK$158 million or decreased by HK$159 million, respectively
			Discount rate for lack of marketability	10.46%	0.5% increase or decrease in discount rate for lack of marketability, the fair value would be decreased by HK$8.8 million or increased by HK$8.8 million, respectively
	399,245	Market approach for underlying equity	Price to book ratio	1.99x	10% increase or decrease in price to book ratio, the fair value would be increased by HK$25.3 million or decreased by HK$4.8 million, respectively
	24,963	Market approach	Volatility of comparable companies	58.36%	The higher the volatility, the lower the fair value
	22,968	Market approach	Volatility of comparable companies	43.94%	The higher the volatility, the lower the fair value
	12,283	Market approach	Volatility of comparable companies	54.75%	The higher the volatility, the higher the fair value
	–	Adjusted balance	n/a	n/a	n/a
	333,053	Recent transaction	n/a	n/a	n/a
Unlisted investment funds	489,221	Net asset value	n/a	n/a	n/a
	–	Adjusted net asset value (note)	n/a	n/a	n/a
Unlisted debt investment	23,200	Income approach	Discount rate	8%	The higher the discount rate, the lower the fair value
Convertible loan	–	Adjusted balance	n/a	n/a	n/a

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.5 Fair value estimation *(Continued)*

Equity Investments	Fair value as at 31 December 2023 HK$000	Valuation techniques	Unobservable input	Range	Sensitivity of fair value to changes in unobservable inputs/ Relationship of unobservable inputs to fair value
Unlisted equity investments	1,177,975	Market approach	Price to sales ratio	5.2x	10% increase or decrease in the price to sales ratio, the fair value would be increased by HK$116 million or decreased by HK$116 million, respectively
			Discount rate for lack of marketability	7.96%	0.5% increase or decrease in discount rate for lack of marketability, the fair value would be decreased by HK$6.3 million or increased by HK$6.3 million, respectively
	342,169	Income approach	Volatility of comparable companies	38.23%	5% increase or decrease in the volatility of comparable companies, the fair value would be increased by HK$2.0 million or decreased by HK$2.1 million, respectively
	25,489	Market approach	Volatility of comparable companies	47.81%	The higher the volatility, the lower the fair value
	46,872	Recent transaction	n/a	n/a	n/a
Unlisted investment funds	687,147	Net asset value	n/a	n/a	n/a
	4,000	Recent transaction	n/a	n/a	n/a
	–	Adjusted net asset value (note)	n/a	n/a	n/a
Unlisted debt investment	57,603	Income approach	Discount rate	13.13%	The higher the discount rate, the lower the fair value
Convertible loan	12,999	Income approach	Discount rate	19.30%	The higher the discount rate, the lower the fair value
			Volatility of companies comparable	47.55%	The higher the volatility, the higher the fair value

Note: Adjusted net asset value represents adjustments on the net asset value of the fund by making impairment on certain investments of the fund. Please refer to note 21.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.6 Offsetting financial assets and financial liabilities

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. According to the terms of each agreement, an event of default includes failure by a party to make payment when due; failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party; or bankruptcy.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC") and Clearing Participant of China Securities Depository, Clearing Corporation Limited ("CSDC") and brokers, the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC, CSDC and brokers on the same settlement date and the Group intends to set off on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with brokerage clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which is being offset, amounts due from/to HKSCC, CSDC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group, deposits placed with HKSCC, CSDC and brokers do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

3. FINANCIAL RISK MANAGEMENT *(Continued)*

3.6 Offsetting financial assets and financial liabilities *(Continued)*

As at 31 December 2024

	Gross amount of recognised financial assets/ (liabilities) HK$'000	Gross amount of recognised financial (assets)/ liabilities offset in the financial statements HK$'000	Net amounts of financial assets/ (liabilities) reflected in the financial statements HK$'000	Related amounts not set off in the statement of financial position: Amounts subject to master netting arrangements HK$'000	Related amounts not set off in the statement of financial position: Collateral received HK$'000	Net HK$'000
Financial assets						
Accounts receivable arising from brokerage — the Stock Exchange and other clearing houses	348	–	348	–	–	348
Deposit placed with clearing houses	2,077	–	2,077	–	–	2,077
Margin receivables	1,867	–	1,867	–	(1,867)	–
Total	4,292	–	4,292	–	(1,867)	2,425
Financial liabilities						
Accounts payable arising from brokerage — the Stock Exchange and other clearing houses	–	–	–	–	–	–
Total	–	–	–	–	–	–

As at 31 December 2023

	Gross amount of recognised financial assets/ (liabilities) HK$'000	Gross amount of recognised financial (assets)/ liabilities offset in the financial statements HK$'000	Net amounts of financial assets/ (liabilities) reflected in the financial statements HK$'000	Related amounts not set off in the statement of financial position: Amounts subject to master netting arrangements HK$'000	Related amounts not set off in the statement of financial position: Collateral received HK$'000	Net HK$'000
Financial assets						
Accounts receivable arising from brokerage — the Stock Exchange and other clearing houses	364	–	364	–	–	364
Deposit placed with clearing houses	3,471	–	3,471	–	–	3,471
Margin receivables	54,776	–	54,776	–	(54,776)	–
Total	58,611	–	58,611	–	(54,776)	3,835
Financial liabilities						
Accounts payable arising from brokerage — the Stock Exchange and other clearing houses	–	–	–	–	–	–
Total	–	–	–	–	–	–

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income which were categorised as level 3

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The estimation of fair value of unlisted equity instruments are determined in accordance with generally accepted pricing models, which includes certain assumptions not supported by observable market prices or rates. Changes to the assumptions or inputs used in deriving the valuation would have a significant impact to the fair values of these financial assets and liabilities in the consolidated statement of financial position. The carrying amounts of such unlisted investments in financial assets and liabilities classified as level 3 as at 31 December 2024 were approximately HK$2,894,837,000 and approximately HK$9,892,000 respectively (2023: HK$2,354,254,000 and nil). The values assigned to the financial assets and liabilities are based upon available information and do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstance and cannot be reasonably determined until the individual position is realised. The directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair values of financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

4.1 Critical accounting estimates and assumptions *(Continued)*

ECL allowances on loan and interest receivables, margin receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income and other interest receivables

The Group reviews its loan receivables from loan lending business, margin receivables from margin financing business and its investments in bonds/notes classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income and other interest receivables to assess ECL allowance on each individual loan and investment in bond/note at least on a quarterly basis. The internal credit risk on individual loan receivable plays a critical factor on the ECL impairment model. Risk Management Department maintains a watch list for risk monitoring on all loans receivables and investments in bonds/notes classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income to determine the internal credit category of each individual loan receivable and investment in bond/note classified as financial assets at amortised cost and financial assets at fair value through other comprehensive income and other interest receivables. This evidence may include overdue days based on contract note and other observable data indicating that there has been an adverse change in the credit quality of the borrowers and issuers in a group.

Relevant information with regard to the exposure to credit risk and expected credit losses are set out in note 3.2 to the consolidated financial statements.

5. SEGMENT INFORMATION

Chief operating decision maker ("CODM") has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature perspective, including the provision for asset management services ("Asset management"), securities brokerage services ("Securities brokerage") and investment holding ("Investment holding"). Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

5. SEGMENT INFORMATION *(Continued)*

For the year ended 31 December 2024

	Reportable segment					
	Asset management HK$'000	Securities brokerage HK$'000	Investment holding HK$'000	Total HK$'000	Unallocated amount HK$'000 (Note i)	Total HK$'000
Interest income	–	8,862	34,883	43,745	18,655	62,400
Commission and fee income	14,991	305	4,361	19,657	1,379	21,036
Investment income	–	–	25,956	25,956	–	25,956
Revenue from external customers	14,991	9,167	65,200	89,358	20,034	109,392
Net gain on financial assets/liabilities	–	–	436,481	436,481	–	436,481
	14,991	9,167	501,681	525,839	20,034	545,873
Segment profit/(loss) before income tax	3,656	(31,350)	456,378	428,684	(155,057)	273,627
Other segment information:						
Depreciation of property, plant and equipment	–	(1)	(4)	(5)	(1,248)	(1,253)
Depreciation of right-of-use assets	–	–	–	–	(2,985)	(2,985)
Provision for ECL allowances	–	(34,021)	(5,158)	(39,179)	–	(39,179)
Staff costs and related expenses	(4,704)	(3,930)	(11,853)	(20,487)	(137,377)	(157,864)

For the year ended 31 December 2023

	Reportable segment					
	Asset management HK$'000	Securities brokerage HK$'000	Investment holding HK$'000	Total HK$'000	Unallocated amount HK$'000 (Note i)	Total HK$'000
Interest income	1,128	7,467	46,212	54,807	21,434	76,241
Commission and fee income	16,131	230	9,610	25,971	789	26,760
Investment income	–	–	11,384	11,384	–	11,384
Revenue from external customers	17,259	7,697	67,206	92,162	22,223	114,385
Net gain on financial assets/liabilities	–	–	81,810	81,810	–	81,810
	17,259	7,697	149,016	173,972	22,223	196,195
Segment (loss)/profit before income tax	(4,383)	(3,972)	57,613	49,258	(64,502)	(15,244)
Other segment information:						
Depreciation of property, plant and equipment	–	(131)	(28)	(159)	(1,562)	(1,721)
Depreciation of right-of-use assets	–	–	–	–	(8,299)	(8,299)
Provision for ECL allowances	–	(2,800)	(46,589)	(49,389)	–	(49,389)
Write-off of intangible assets	–	–	–	–	(902)	(902)
Staff costs and related expenses	(11,252)	(4,814)	(17,190)	(33,256)	(44,830)	(78,086)

Note i: The "unallocated amount" primarily included unallocated interest income, service fee income and expenditures for head office operations as well as interest expenses for general working capital.

5. SEGMENT INFORMATION *(Continued)*

Breakdown of the revenue from external customers and net gain/(loss) on financial assets and liabilities by geographical location is as follows:

For the year ended 31 December 2024

	Hong Kong HK$'000	The PRC HK$'000	Japan HK$'000	Canada HK$'000	Total HK$'000
Revenue from external customers	92,851	1,670	12,860	2,011	109,392
Net gain/(loss) on financial assets/liabilities	453,597	5,293	(22,409)	–	436,481
	546,448	6,963	(9,549)	2,011	545,873

For the year ended 31 December 2023

	Hong Kong HK$'000	The PRC HK$'000	Japan HK$'000	Canada HK$'000	Total HK$'000
Revenue from external customers	95,418	3,714	13,646	1,607	114,385
Net gain on financial assets/liabilities	67,063	14,747	–	–	81,810
	162,481	18,461	13,646	1,607	196,195

Breakdown of the total non-current assets other than financial instruments and deferred tax assets by location of the assets is shown in the following:

	2024 HK$'000	2023 HK$'000
Hong Kong	39,914	29,664
The PRC	52,668	57,106
Japan	–	5
Canada	40	49
	92,622	86,824

6. REVENUE

	2024 HK$'000	2023 HK$'000
Interest income:		
Interest income from loan lending business *(note i)*	14,013	7,408
Interest income from margin financing business *(note i)*	8,862	6,112
Interest income from debt instruments at amortised cost *(note i)*	460	603
Interest income from debt instruments at fair value through other comprehensive income *(note i)*	10,954	17,509
Interest income from financial assets at fair value through profit or loss	9,259	20,449
Other interest income	18,852	24,160
	62,400	76,241
Commission and fee income (note ii):		
Advisory fee income	9,120	13,575
Commission income from securities brokerage	1,534	1,019
Loan arrangement fee income	–	600
Fee income received from asset management	10,232	11,566
Underwriting fee income	150	–
	21,036	26,760
Investment income:		
Dividend income	25,956	11,384
	25,956	11,384
	109,392	114,385

Note i: Total interest income calculated using effective interest method from loan lending business, margin financing business, debt instruments at amortised cost and debt instruments at fair value through other comprehensive income amounted to HK$34,289,000 (2023: HK$31,632,000).

Note ii: Commission and fee income is the only revenue arising from HKFRS 15, while interest income and investment income are under the scope of HKFRS 9. Included in revenue arising from contract with customers recognised at a point of time and over time were revenue of HK$3,595,000 (2023: HK$8,204,000) and HK$17,441,000 (2023: HK$18,556,000) respectively.

7. NET GAIN ON FINANCIAL ASSETS/LIABILITIES

	2024 HK$'000	2023 HK$'000
Net gain/(loss) on financial assets/liabilities at fair value through profit or loss	441,799	81,725
Net (loss)/gain on disposal of financial assets at fair value through other comprehensive income	(5,318)	85
	436,481	81,810

8. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 HK$'000	2023 HK$'000
Finance costs on repurchase agreements	608	1,086
Finance costs on margin payables	–	12
Finance costs on lease liabilities	92	275
Loan arrangement fee	–	25
	700	1,398

9. PROFIT/(LOSS) BEFORE INCOME TAX

	2024 HK$'000	2023 HK$'000
Profit/(loss) before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration		
— current year	3,150	3,080
— underprovision in prior year	250	–
Short-term leases expenses	5,869	2,065
Gain on disposal of property, plant and equipment	(277)	–
Write-off of property, plant and equipment	2	60
Provision for/(reversal of) ECL allowances		
— loan and interest receivables	234	3,044
— margin receivables	34,021	–
— financial assets at amortised cost	(1,113)	4,187
— financial assets at fair value through other comprehensive income	(796)	31,450
— other interest receivables	6,833	7,908
— other trade receivables	–	2,800
	39,179	49,389
Foreign exchange loss, net	8,078	7,146

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year and taxation on profits assessable elsewhere have been calculated at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (2023: 25%).

	2024 **HK$'000**	2023 HK$'000
Hong Kong Profits Tax		
— charge for the year	**61,939**	5,995
— (over)/underprovision for prior year	**(138)**	138
PRC Enterprise Income Tax		
— charge for the year	**431**	51
Overseas income tax		
— charge for the year	**2,072**	1,665
— under/(over)provision for prior year	**117**	(188)
Deferred tax		
— credit for the year	**(14,778)**	(1,841)
— underprovision for prior year	**788**	2,497
Income tax expense	**50,431**	8,317

10. INCOME TAX *(Continued)*

The income tax for the year can be reconciled to the profit/(loss) before income tax per the consolidated statement of profit or loss as follows:

	2024 **HK$'000**	2023 HK$'000
Profit/(loss) before income tax	**273,627**	(15,244)
Income tax at income tax rate applicable to assessable profit of the operation in different jurisdictions	**43,956**	(2,151)
Tax effect of expenses not deductible for tax purpose	**35,804**	9,743
Tax effect of income not taxable for tax purpose	**(35,319)**	(10,712)
Tax effect of unused tax losses not recognised	**5,613**	9,011
Underprovision for prior year	**767**	2,447
Others	**(390)**	(21)
Income tax expense for the year	**50,431**	8,317

As at 31 December 2024, net deferred tax balances of approximately HK$138,849,000 (2023: HK$124,866,000) have been recognised for some of the unused tax losses and temporary differences on depreciation allowances, ECL allowances, provision and unrealised gain/loss on financial assets. As at 31 December 2024, deferred tax assets have not been recognised in respect of the estimated tax losses of approximately HK$965,199,000 (2023: HK$795,461,000) because it is not probable that future taxable profit will be available against which certain entities under the Group can utilise the benefits therefrom. The tax losses do not expire under current tax legislation.

The following is the analysis of the deferred tax balances for financial reporting purpose:

	2024 **HK$'000**	2023 HK$'000
Deferred tax assets	**138,849**	130,671
Deferred tax liabilities	**–**	(5,805)
	138,849	124,866

10. INCOME TAX *(Continued)*

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Tax losses HK$'000	Fair value change HK$'000	Depreciation allowances HK$'000	Expected credit loss allowances HK$'000	Provision HK$'000	Total HK$'000
At 1 January 2023	130,396	(6,562)	1,034	–	660	125,528
Credited/(charged) to profit or loss	2,835	(3,393)	520	42	(660)	(656)
Exchange difference arising from translation of foreign operations	–	(6)	–	–	–	(6)
At 31 December 2023 and 1 January 2024	133,231	(9,961)	1,554	42	–	124,866
Credited/(charged) to profit or loss	17,358	(5,592)	121	(42)	2,145	13,990
Exchange difference arising from translation of foreign operations	–	(7)	–	–	–	(7)
At 31 December 2024	150,589	(15,560)	1,675	–	2,145	138,849

11. STAFF COSTS AND RELATED EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 HK$'000	2023 HK$'000
Staff costs and related expenses:		
Salaries, bonuses and allowances	72,326	76,428
Share-based payment expense	84,461	101
Retirement benefit scheme contributions	1,077	1,557
	157,864	78,086

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director is set out below:

For the year ended 31 December 2024

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking			Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking					
	Fees HK$'000	Discretionary bonus HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Share award HK$'000	Allowance HK$'000	Total HK$'000
Name of Director									
Mr. Li Feng	250	–	–	2,713	–	18	13,249	422	16,652
Mr. Xie Fang[2]	194	–	–	2,181	–	18	13,249	322	15,964
Mr. Ng Kian Guan Allen[3]	438	–	–	–	–	–	–	–	438
Mr. Cheng Tai Sheung[1]	204	–	–	–	–	–	–	–	204
Mr. Sun Junchen[2]	194	–	–	–	–	–	–	–	194
Mr. Ko Ming Tung Edward[2]	194	–	–	–	–	–	–	–	194
Mr. Wong Ka Wai Ian[2]	194	–	–	–	–	–	–	–	194
Ms. Cao Jianmei[4]	31	–	–	–	–	–	–	–	31
Ms. Lin Le[7]	781	–	5	–	–	–	–	–	786
Ms. Du Lina[9]	511	–	5	–	–	–	–	–	516
Ms. Zhou Hui[8]	57	–	–	–	–	–	–	–	57
Mr. Dong Hao[6]	50	–	–	–	–	–	–	–	50
Mr. Wen Yuanhua[6]	50	–	–	–	–	–	–	–	50
Mr. Jin Mingming[5]	4	–	–	–	–	–	–	–	4
Mr. Huang Yan[10]	50	–	–	–	–	–	–	–	50
Mr. Zhang Boyang[9]	68	–	–	–	–	–	–	–	68
Total for 2024	3,270	–	10	4,894	–	36	26,498	744	35,452

1 Appointed on 8 March 2024
2 Appointed on 22 March 2024
3 Appointed on 8 April 2024
4 Appointed on 13 December 2024
5 Appointed on 8 March 2024 and resigned on 13 March 2024
6 Resigned on 13 March 2024
7 Resigned on 21 March 2024
8 Resigned on 22 March 2024
9 Resigned on 8 April 2024
10 Appointed on 19 April 2024 and retired on 28 June 2024

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

For the year ended 31 December 2023

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking			Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking					
	Fees HK$'000	Discretionary bonus HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Salaries HK$'000	Discretionary bonus HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Share award HK$'000	Allowance HK$'000	Total HK$'000
Name of Director									
Mr. Li Feng	250	–	18	1,933	150	–	28	295	2,674
Ms. Lin Le [4]	1,195	–	7	–	–	–	–	–	1,202
Ms. Du Lina [3]	700	–	7	–	–	–	–	–	707
Ms. Zhou Hui	250	200	–	–	–	–	–	–	450
Mr. Wen Yuanhua [5]	250	100	–	–	–	–	–	–	350
Mr. Dong Hao [5]	250	50	–	–	–	–	–	–	300
Mr. Zhang Boyang	250	–	–	–	–	–	–	–	250
Mr. Ni Xinguang [1]	115	–	6	–	–	–	–	–	121
Mr. Tan Zhenyu [2]	167	–	9	–	–	–	–	–	176
Total for 2023	3,427	350	47	1,933	150	–	28	295	6,230

1 Retired on 16 June 2023
2 Resigned on 29 August 2023
3 Appointed on 29 August 2023
4 Appointed on 29 August 2023 and resigned on 21 March 2024
5 Resigned on 13 March 2024

Note:

Estimated money values of other benefits include rent paid, share options, share base payment and insurance premium.

Neither the chief executive nor any of the directors waived any emoluments during the year (2023: HK$Nil). In addition, no emoluments were paid by the Group to any of the directors as an inducement to join, or upon joining the Group or as a compensation for loss of office for the year ended 31 December 2024 (2023: HK$Nil).

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(b) Loans, quasi-loans and other dealings in favour of directors

There are no loans, quasi-loans or other dealings in favour of the directors of the Company or its holding company, or their controlled companies or connected entities that were entered into or subsisted during the year (2023: HK$Nil).

(c) Directors' material interests in transactions, arrangements or contracts

Except for transactions disclosed in note 35, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: HK$Nil).

(d) Five highest paid individuals

The five highest paid individuals in the Group during the year included 2 (2023: 1) directors whose emoluments is reflected in the analysis presented in note 12(a). The emoluments of the remaining 3 (2023: 4) individuals are set out below:

	2024 **HK$'000**	2023 HK$'000
Basic salaries, award and allowances	**5,482**	11,064
Discretionary bonus	**–**	700
Share-based payment expense	**38,459**	73
Retirement benefit scheme contributions	**47**	68
	43,988	11,905

The emoluments fell within the following bands:

	Number of individuals	
	2024	2023
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,500,001 to HK$3,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**–**	1
HK$4,000,001 to HK$4,500,000	**–**	1
HK$9,500,001 to HK$10,000,000	**1**	–
HK$15,500,001 to HK$16,000,000	**1**	–
HK$18,000,001 to HK$18,500,000	**1**	–
	3	4

No amounts were paid or payable by the Group as inducement for the above remaining individuals to join the Group or compensation for the loss of office in connection with the management of the affairs of any members of the Group during the year (2023: HK$Nil).

12. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(Continued)*

(e) Key management personnel compensation

	2024 HK$'000	2023 HK$'000
Basic salaries, award and allowances	9,892	8,737
Discretionary bonus	–	900
Share-based payment expense	47,990	101
Directors' fee	3,270	3,427
Retirement benefit scheme contributions	80	91
	61,232	13,256

13. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: HK$Nil).

14. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$222,816,000 (2023: loss of HK$24,834,000) and the weighted average number of ordinary shares of approximately 34,680,939,000 (2023: 32,980,392,000) in issue during the year (excluding the ordinary shares purchased by the Company under the share award plan).

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share amount was the same as basic earnings/(loss) per share amount as there were no potential dilutive ordinary shares outstanding for the years ended 31 December 2024 and 31 December 2023.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and office equipment HK$'000	Software HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost					
At 1 January 2023	21,034	9,892	2,785	766	34,477
Additions	–	105	–	–	105
Write-off/disposals	–	(157)	–	–	(157)
At 31 December 2023 and 1 January 2024	21,034	9,840	2,785	766	34,425
Additions	7,697	79	–	623	8,399
Write-off/disposals	(21,034)	(6,766)	(201)	(766)	(28,767)
Currency translation differences	–	(11)	–	–	(11)
At 31 December 2024	7,697	3,142	2,584	623	14,046
Accumulated depreciation and impairment					
At 1 January 2023	21,034	7,790	2,064	510	31,398
Charge for the year	–	1,233	334	154	1,721
Write-off/disposals	–	(97)	–	–	(97)
At 31 December 2023 and 1 January 2024	21,034	8,926	2,398	664	33,022
Charge for the year	128	703	268	154	1,253
Write-off/disposals	(21,034)	(6,758)	(199)	(766)	(28,757)
Currency translation differences	–	(7)	–	–	(7)
At 31 December 2024	128	2,864	2,467	52	5,511
Carrying amount					
At 31 December 2024	7,569	278	117	571	8,535
At 31 December 2023	–	914	387	102	1,403

16. GOODWILL

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Asset management – China Vered Asset Management (Hong Kong) Limited HK$'000	Securities brokerage – China Vered Securities Limited HK$'000	Total HK$'000
Cost			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	5,079	10,792	15,871
Accumulated impairment			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	–	10,792	10,792
Carrying amount			
31 December 2024	5,079	–	5,079
31 December 2023	5,079	–	5,079

The recoverable amounts of the CGUs have been determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, revenue growth rate and expenses growth rate, and long term growth rate during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Revenue and expenses growth rate are based on past practices and expectations on market development.

For the CGUs relating to asset management, the key assumptions used in the value in use calculation in 2024 and 2023 are as follows.

	2024	2023
Forecast period	**5 years**	5 years
% of revenue growth rate	**12%**	12%
% of expenses growth rate	**10%**	10%
Long term growth rate	**5%**	5%
Pre-tax discount rate	**18%**	18%

For the years ended 31 December 2024 and 2023, no impairment loss on goodwill of the CGUs relating to asset management business is recognised with reference to the value in use calculation. Management believes that any reasonably possible change in any of the assumptions would not cause the recoverable amount of the CGUs relating to asset management business to fall below its carrying amount.

With continuous loss making by the CGUs relating to securities brokerage business, the recoverable amount of the CGUs based on the value in use calculation was significantly less than its carrying amount. Accordingly, full impairment on goodwill of approximately HK$10,792,000 was provided for securities brokerage business in prior year.

17. OTHER INTANGIBLE ASSETS

	License HK$'000	Trading right HK$'000	Total HK$'000
Cost			
At 1 January 2023	902	700	1,602
Write-off	(902)	–	(902)
At 31 December 2023, 1 January 2024 and 31 December 2024	–	700	700
Accumulated amortisation and impairment			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	–	700	700
Carrying amount			
At 31 December 2023 and 31 December 2024	–	–	–

Trading right

The trading right represents the eligibility rights to trade on or through the SEHK and have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading right 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 right will not be amortised until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired. For the years ended 31 December 2024 and 2023, the carrying amount of trading right on the CGUs relating to securities brokerage business had been fully impaired.

License

The license represented the regulated activities license issued by China Securities Regulatory Commission ("CSRC"). The license was acquired in a business combination and was recognised at fair value at the acquisition date. It was regarded as having indefinite useful live and was carried at cost less accumulated impairment losses.

For the year ended 31 December 2023, the license had been deregistered and therefore the carrying amount of the license had been fully written-off in the consolidated statement of profit or loss.

18. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2024 and 2023:

Name	Place of incorporation/ registration, operation and kind of legal entity	Issued share capital/ registered capital	Percentage of ownership interest/ voting power/ profit sharing Direct	Indirect	Principal activities
China Vered Financial Investment Management Limited	Hong Kong, limited liability company	HK$260,000,002	100%	–	Investment holding
China Vered Securities Holdings Limited	Hong Kong, limited liability company	HK$1,475,000,001	100%	–	Investment holding
China Vered Wealth Holdings Limited	Hong Kong, limited liability company	HK$1	–	100%	Provision of money lending services
China Vered Securities Limited	Hong Kong, limited liability company	HK$1,500,000,000	–	100%	Provision of securities brokerage services
China Vered Asset Management (Hong Kong) Limited	Hong Kong, limited liability company	HK$160,000,000 (2023: HK$573,700,000)	–	100%	Provision of securities advisory and asset management services
China Vered Capital (Hong Kong) Limited	Hong Kong, limited liability company	HK$300,000,000	–	100%	Investment holding
China Vered Investment Limited	The British Virgin Islands, limited liability company	US$6,410,000	–	100%	Investment holding
CM Equities SP	Cayman Islands, segregated portfolio	Not applicable	–	100%	Investment holding
CVAM Investment Limited	The British Virgin Islands, limited liability company	US$1	–	100%	Investment holding
CVAM Investment Fund SPC	Cayman Islands, segregated portfolio company	US$1	–	67% (2023: 100%)	Investment holding
CVAM Investment Fund SPC - CVAM Spectrum Selected High-Yield Investment Fund SP	Cayman Islands, segregated portfolio	Not applicable	–	– (2023: 100%)	Investment holding
CM Strategic Investment Management Holding Limited	Hong Kong, limited liability company	HK$1	–	100%	Investment holding
JBC Holdings Co., Ltd.	Japan, limited liability company	JPY176,480,000	–	51%	Investment holding
JBC Fund I	Japan, partnership	Not applicable	–	99% (2023: 90%)	Investment holding
Tianjin Tong Ming Xin Peng Corporate Management Company Limited^ ("Tianjin Tong Ming Xin Peng") 天津桐鳴鑫鵬企業管理有限責任公司	The PRC, limited liability company	RMB218,073,125* (2023: RMB387,690,000)	–	100%	Investment holding
Tianjin Hua Sheng He Tai Corporate Management Company Limited^ ("Tianjin Hua Sheng He Tai") 天津華盛和泰企業管理有限公司	The PRC, limited liability company	RMB218,073,125** (2023: RMB387,690,000)	–	100%	Investment holding
Templewater One Limited (Note 29)	The British Virgin Islands, limited liability company	US$17,000 (2023: Not applicable)	–	100%	Investment holding
Mighty Commander Limited (Note 29)	The British Virgin Islands, limited liability company	US$2,072 (2023: Not applicable)	–	100%	Investment holding

^ The English names are for identification purposes only

* The registered capital of Tianjin Tong Ming Xin Peng is RMB218,073,125 (2023: RMB387,690,000) and RMB218,073,125 has been paid up as at 31 December 2024 (2023: RMB218,073,125).

** The registered capital of Tianjin Hua Sheng He Tai is RMB218,073,125 (2023: RMB387,690,000) and RMB218,073,125 has been paid up as at 31 December 2024 (2023: RMB218,073,125).

The above list contains the particulars of subsidiaries which principally affect the results, assets or liabilities of the Group. None of the subsidiaries has issued any debt securities.

19. INVESTMENTS IN ASSOCIATES

	2024 HK$'000	2023 HK$'000
At the beginning of the reporting period	77,898	72,138
Addition (Note)	–	15,902
Capital distribution received	–	(1,548)
Dividend received	–	(1,399)
Share of post-tax loss of associates	(9,167)	(7,195)
At the end of the reporting period	68,731	77,898

Note: During the year ended 31 December 2023, an amount of HK$15,000,000 previously paid and included in other deposits was transferred to investments in associates.

Set out below are the details of the associate as at 31 December 2024 and 2023 which, in the opinion of the directors, is material to the Group.

Name of entity	Place of business	Country of incorporation	Percentage of ownership interest	Nature of the relationship	Measurement method
Grand Flight Hooyoung Investment L.P.	The PRC	Cayman Islands	30%	(Note)	Equity

Note: Grand Flight Hooyoung Investment L.P. is an investment fund registered in Cayman Islands, which invests in listed and unlisted companies in various industries, including internet payment, smart home systems and medical device research and development business. It allows the Group to be involved in different innovative markets, which offer unique growth opportunity.

The following table shows the financial information of Grand Flight Hooyoung Investment L.P.

	2024 HK$'000	2023 HK$'000
Revenue	–	–
Loss	(7,288)	(3,343)
Total comprehensive loss	(7,288)	(3,343)
Current assets	174,808	183,066
Current liabilities	–	–
Net assets	174,808	183,066
Carrying amount of the associate in the consolidated financial statements (30%)	52,443	54,920

19. INVESTMENTS IN ASSOCIATES *(Continued)*

Aggregate financial information of associates that are not individually material:

	2024 HK$'000	2023 HK$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	16,288	22,978
Aggregate amounts of the Group's share of those associates		
Loss	(6,536)	(6,348)
Total comprehensive loss	(6,536)	(6,348)

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss include the followings:

	Note	2024 HK$'000	2023 HK$'000
Financial assets at fair value through profit or loss			
Unlisted equity investments		2,382,416	1,592,505
Unlisted investment funds	(a)	450,460	582,385
Unlisted debt investment		23,200	57,603
Listed equity investments	(b)	650,816	194,832
Listed debt investments	(b)	8,255	44,223
Convertible loan	(b)	–	12,999
		3,515,147	2,484,547
Classified as:			
Non-current assets		2,850,203	2,096,875
Current assets		664,944	387,672
		3,515,147	2,484,547

	2024 HK$'000	2023 HK$'000
Financial liabilities at fair value through profit or loss		
Other financial liabilities	9,892	6,925
	9,892	6,925
Classified as:		
Current liabilities	9,892	6,925

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes:

(a) The investments in unlisted investment funds of HK$450,460,000 (2023: HK$582,385,000) represent investments in unconsolidated structured entities. The Group does not consolidate these structured entities as the Group does not have control over them. Such structured entities include investments in funds and partnership managed by certain subsidiaries of the Group and/or third parties. The maximum exposure to loss is HK$450,460,000 (2023: HK$582,385,000) which represents the fair value as at 31 December 2024.

The size of these unconsolidated structured entities is HK$5,698,158,000 (2023: HK$4,956,252,000).

During the year, the Group did not provide financial support to these unconsolidated structured entities and has no intention of providing financial or other support.

(b) The interest receivables derived from convertible loan, listed debt investments and certain listed equity investments have been recognised as other interest receivables in the consolidated statement of financial position.

Investment in Shareholder Value Offshore Fund

As at 31 December 2024, these financial assets included, among others, an investment in 31.7% interests in an unlisted investment fund namely Shareholder Value Offshore Fund (the "Fund"), which was managed by the Group's asset management subsidiary, namely China Vered Asset Management (Hong Kong) Limited ("CVAM"), whose carrying value amounted to zero (2023: zero). As at 31 December 2024 and 2023, the original cost of investment in the Fund amounted to HK$139,007,000 and was fully written-off. According to the financial information of the Fund, it was noted that the Fund invested into two segregated portfolios (the "Subject Fund A" and the "Subject Fund B") through its master fund, Shareholder Value Fund (the "Master Fund").

As at 31 December 2024 and 2023, taking into account the uncertainty on the recoverability of Subject Fund A and Subject Fund B and accordingly, the Group assessed the carrying value of the investment in the Fund as fully written down. The Group would continue to implement best efforts and take all possible actions to the recovery of the Fund's investment in relation to the Subject Fund A and the Subject Fund B in order to maximise the recoverable amount of the Group's interests in the Fund. Up to the date of this report, the above actions are still on-going and the assessment on the carrying value of the investment in the Fund remains unchanged.

In addition, on 7 June 2022, CVAM received a writ of summons (the "Writ of Summons") with an indorsement of claim issued in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region by Orient Finance Holdings (Hong Kong) Limited, as plaintiff (the "Plaintiff"), against CVAM, as a defendant. Subsequently, on 5 August 2022, the Fund was also included as a defendant. Please refer to note 33 to the consolidated financial statements for additional disclosures regarding the contingent liabilities.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Investment in Fund F

As at 31 December 2024, these financial assets included an investment in an unlisted investment fund (the "Fund F"), which was managed by an external fund manager (the "Fund Manager E"), whose carrying value amounted to approximately HK$60,219,000 (2023: HK$67,976,000). The original cost of investment in the Fund F amounted to approximately HK$77,981,000 with an accumulated fair value loss of approximately HK$17,762,000 (2023: HK$10,005,000). Based on the fund documents of the Fund F, its investment objective is to invest in equity or debt securities of healthcare companies with disruptive technologies or products. According to the latest available financial information of the Fund F, it was noted that the main underlying assets included investments in unlisted equity securities and convertible note of various healthcare companies.

As at 31 December 2023, the Group was unable to obtain updated and sufficient financial information and valuation performed in respect of the underlying assets of the Fund F from the Fund Manager E and no sufficient information of the underlying assets of the Fund F as at and for the year ended 31 December 2023 was available for the Group for assessing the fair value of the Fund F. As such, the fair value of the Fund F was reference to the net assets value approach based on the capital statement as at 31 December 2023 provided by the Fund Manager E. The Group considered that the basis applied in the fair value assessment of the Fund F including the recognition of fair value loss of approximately HK$5,891,000 during the year ended 31 December 2023 represented their best estimate.

During the year and up to date of the approval of the consolidated financial statements, the Group has taken active measures including discussion with the Fund Manager E to obtain documentary evidence in respect of the underlying assets of the Fund F. The Group has obtained necessary financial information and valuation in relation to the underlying assets of the Fund F from the Fund Manager E. The Group considered that the carrying value of the investment in the Fund F was properly stated as at 31 December 2024. The Group would continue to implement all possible actions to safeguard the investment in the Fund F.

Investment in Fund G

As at 31 December 2024, these financial assets also included an investment in an unlisted investment fund (the "Fund G"), which was managed jointly by CVAM and another third party co-manager (the "Co-manager"), whose carrying value amounted to approximately US$757,000 (equivalent to approximately HK$5,873,000) (2023: approximately US$3,457,000 (equivalent to approximately HK$27,015,000)).

During the year ended 31 December 2023, the Group requested for 8 redemptions, in total of approximately US$13,271,000 (equivalent to approximately HK$103,723,000), for its investment in the Fund G. All the 8 redemptions was confirmed and, as a result, the interest in the Fund G held by the Group decreased from approximately 69% to 28%. Accordingly, the Group deconsolidated the Fund G as the Group no longer had control over this investment . At the date of deconsolidation, the net assets of the Fund G deconsolidated amounted to approximately US$12,111,000 (equivalent to approximately HK$94,656,000) which mainly comprised listed equity and debt securities investments and the payables to holders of non-controlling interests of approximately US$8,655,000 (equivalent to approximately HK$67,641,000) were derecognised accordingly, resulting in no significant gain or loss on the deconsolidation. The net cash outflow arising from the deconsolidation represented the bank balances of approximately US$3,706,000 (equivalent to approximately HK$28,963,000) in the Fund G.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Investment in Fund G *(Continued)*

Up to November 2023, the proceeds of first 5 redemptions amounting to approximately US$11,047,000 (equivalent to approximately HK$86,336,000) were received by the Group.

On 7 November 2023, the Co-manager submitted an injunction application to restrain CVAM (including its directors, associates, servants, employees and agents) from procuring the withdrawal of proceeds pursuant to the redemption requests in respect of the Fund G without the prior consent of the investment committee of the Fund G according to relevant fund documents. On 24 May 2024, the High Court of Hong Kong handed down the decision to regrant the injunction until the final determination of the proceedings therein or further order of the court. Meanwhile, the court stated in the decision that the granting of the injunction was simply to maintain the status quo and defer the withdrawal of funds in fulfilment of the remaining portion of the Company's redemption requests. Accordingly, the payment of the last 5 confirmed redemptions (including 2 redemptions requested and confirmed in 2024), totaling approximately US$3,919,000 (equivalent to approximately HK$30,636,000), was on hold due to the injunction. On 19 November 2024, the Group reached an agreement with the Co-manager and the other investors of the Fund G in relation to redemption arrangement and settlement of the Fund G, resulting in a loss on settlement of approximately US$2,124,000 (equivalent to approximately HK$16,734,000) recognised in profit or loss during the year and included in "Net gain/(loss) on financial assets/liabilities at fair value through profit or loss" as set out in note 7 to the consolidated financial statements. Subsequent to the end of the reporting period, the Court granted the consent order to the effect that the injunction be discharged and the legal action against CVAM and the Fund G be discontinued.

The Group's management assessed that no present obligation exists at the end of the reporting period. Accordingly, the Group has not made any provision for any claim arising from the injunction.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income include the followings:

	Note	2024 HK$'000	2023 HK$'000
Financial assets at fair value through other comprehensive income			
Unlisted investment funds	(a)	38,761	108,762
Listed equity investments	(b)	66,294	207,174
Listed debt investments	(c)	238,399	36,511
		343,454	352,447
Classified as:			
Non-current assets		254,580	336,434
Current assets		88,874	16,013
		343,454	352,447

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

Notes:

(a) The investments in unlisted investment funds of HK$38,761,000 (2023: HK$108,762,000) represent investments in unconsolidated structured entities which were designated as fair value through other comprehensive income as these investments are held for long term strategic purpose. The Group does not consolidate these structured entities as the Group does not have control over them. Such structured entities include investments in funds managed by third parties and the investment funds mainly invested in equity and debt securities issued by entities from banking and finance sector and energy and chemical sector. The maximum exposure to loss is HK$38,761,000 (2023: HK$108,762,000) which represents the fair value as at 31 December 2024.

The size of these unconsolidated structured entities is HK$46,841,000 (2023: HK$131,434,000).

During the year, the Group did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support.

During the year ended 31 December 2024, the net fair value loss on investment in unlisted investment funds of approximately HK$5,530,000 (2023: approximately HK$37,886,000) was recognised in other comprehensive income.

(b) The Group designated these investments at fair value through other comprehensive income as the investments are held for long term strategic purposes. The issuers of these listed equity investments are mainly under banking and finance sector and real estate sector.

During the year ended 31 December 2024, the net fair value loss on listed equity investments of approximately HK$15,306,000 (2023: approximately HK$67,031,000) was recognised in other comprehensive income.

During the year ended 31 December 2024, certain listed equity investments with fair value of approximately HK$155,405,000 (2023: HK$55,131,000) were disposed of which is in line with the Group's inherent investment strategy. The cumulative gain of approximately HK$4,876,000 (2023: HK$182,000) that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2024.

(c) The interest receivables derived from listed debt investments have been recognised as other interest receivables in the consolidated statement of financial position.

ECL allowances attributable to debt investments at fair value through other comprehensive income as at 31 December 2024 amounted to HK$553,764,000 (2023: HK$592,750,000). The decrease in ECL allowances of HK$796,000 (2023: increase of HK$31,450,000) was recognised in the consolidated statement of profit or loss during the year.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

Investment in Fund D

As at 31 December 2024, the financial assets included an investment in 100% interests in an unlisted investment fund (the "Fund D"), which was managed by a licensed asset manager (an independent third party to the Group) (the "Third Party Manager C"), whose carrying value amounted to zero (2023: zero). According to the financial information of the Fund D, it was noted that the underlying assets included certain securities investment and a substantial portion of investments in two loans made by the Third Party Manager C. The Group identified that one of the two loans was made to a party related to the Third Party Manager C.

In September 2022, the Group submitted a written request for the redemption of investment in the Fund D based on the subscription agreement. The Third Party Manager C requested for the extension of redemption date, however, the Group rejected such extension request. During the year ended 31 December 2023, the Third Party Manager C realised certain listed securities in the market and demanded repayment of the two loans upon maturity. However, the borrowers have not repaid any amount up to date.

As at 31 December 2024 and 2023, taking into account all available information obtained and the recovery efforts implemented, the Group considered the recoverable amount of the two loans was minimal and accordingly, the Group assessed the carrying value of the loans and interest receivables recorded in the Fund D as fully impaired. The fair value of the remaining net assets, including cash and other securities investment less liabilities recorded in the Fund D, was negative as at 31 December 2024 and 2023.

The Group would continue to implement all possible recovery efforts on the redemption in the Fund D and the recovery of two loans in order to maximise the recoverable amount of the Fund D.

Investment in Fund E

As at 31 December 2024, the financial assets also included an investment in unlisted investment fund (the "Fund E"), which was managed by a licensed asset manager (an independent third party to the Group) (the "Third Party Manager D"), whose carrying value amounted to approximately HK$38,761,000 (2023: HK$108,762,000). The original cost of investment in the Fund E amounted to approximately HK$519,679,000 (2023: HK$584,150,000) with an accumulated fair value loss of approximately HK$480,918,000 (2023: HK$475,388,000). According to the financial information of the Fund E, it was noted that the underlying assets invested by Third Party Manager D included investments in listed equity securities under banking and finance sector (2023: a substantial part of investments in listed equity securities under banking and finance sector and remaining part of investment in a loan receivable). The Group is now taking active measures including discussion with the Third Party Manager D for redemption of investment and/or recovery of any investment loss.

22. FINANCIAL ASSETS AT AMORTISED COST

	2024 HK$'000	2023 HK$'000
Financial assets at amortised cost		
Not past due or less than 1 month past due	23,441	–
1–3 months past due	–	–
3–6 months past due	–	–
6–12 months past due	–	–
Over 12 months past due	139,419	140,378
	162,860	140,378
Less: ECL allowances on financial assets at amortised cost	(136,853)	(137,966)
	26,007	2,412
Classified as:		
Current assets	26,007	2,412

As at 31 December 2024, these financial assets at amortised cost include note receivables with effective interest rate at 7.0% to 7.6% per annum (2023: 7.6% per annum). Interest income derived from financial assets at amortised cost was recognised and presented under "Interest income from debt instruments at amortised cost" in note 6 to the consolidated financial statements.

ECL allowances attributable to financial assets at amortised cost as at 31 December 2024 amounted to HK$136,853,000 (2023: HK$137,966,000). The decrease in ECL allowances of HK$1,113,000 (2023: increase of HK$4,187,000) was recognised in the consolidated statement of profit or loss during the year.

23. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES

	2024 HK$'000	2023 HK$'000
Margin receivables	99,454	118,342
Less: ECL allowances	(97,587)	(63,566)
	1,867	54,776
Trade receivables arising from asset management business and underwriting business	13,707	14,589
Less: ECL allowances	(2,800)	(2,800)
	10,907	11,789
	12,774	66,565

23. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES *(Continued)*

As at 31 December 2024, loans to margin clients are secured by clients' pledged Hong Kong-listed securities at fair value of HK$4,646,000 (2023: HK$430,937,000) which can be sold at the discretion of a subsidiary of the Group to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

ECL allowances attributable to margin receivables as at 31 December 2024 amounted to HK$97,587,000 (2023: HK$63,566,000). Increase in ECL allowances of HK$34,021,000 (2023: HK$Nil) was recognised in the consolidated statement of profit or loss during the year.

Except for those margin receivables in stage 3 of ECL assessment, the Group considered that the business nature of margin receivables is short-term and the directors are of the opinion that no further aging analysis is disclosed.

Trade receivables arising from asset management business are mainly due at the end of the relevant valuation period of the investment funds and managed accounts. However, some of these trade receivables are only due after the relevant valuation period as a result of credit periods granted to certain investment funds and managed accounts which are generally within three months.

These trade receivables are generally deducted from the net asset value of the investment funds and managed accounts and paid directly by the administrator or custodian of these investment funds and managed accounts at the end of the relevant valuation period or credit period, as appropriate.

ECL allowances attributable to other trade receivables as at 31 December 2024 amounted to HK$2,800,000 (2023: HK$2,800,000). No ECL allowance (2023: increase of HK$2,800,000) was recognised in the consolidated statement of profit or loss during the year.

Aging analysis of gross other trade receivables from the trade date is as follows:

	2024 HK$'000	2023 HK$'000
0–90 days	**2,798**	2,358
91 days to 1 year	**6,877**	8,190
Over 1 year	**4,032**	4,041
	13,707	14,589

The carrying amounts of the margin receivables approximate to their fair values.

The carrying amounts of other trade receivables approximate to their fair values due to the short-term maturity. The maximum exposure to credit risk at the reporting date is the carrying amounts of the other trade receivables. The Group did not hold any collateral as security as at 31 December 2024 (2023: HK$Nil).

24. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024 HK$'000	2023 HK$'000
Other receivables	5,290	58,932
Prepayments	3,733	4,828
Other deposits	2,125	2,245
	11,148	66,005

As at 31 December 2024 and 2023, all the current balances are expected to be recovered within one year.

25. LOAN AND INTEREST RECEIVABLES

As at 31 December 2024, these loan receivables bore interest at fixed rate ranging at 10% to 15% per annum (2023: 10% to 15% per annum). Interest income derived from loan receivables was recognised and presented under "Interest income from loan lending business" in note 6 to the consolidated financial statements.

Regular credit reviews on these loans receivables are conducted by the Risk Management Department based on the latest status of these loans, and the latest announced or available information about the borrowers and the underlying collateral held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans in order to minimise credit risk by regularly reviewing the borrowers' and/or guarantors' financial positions.

As these loan receivables will be settled within 12 months, the carrying amounts approximate to their fair values.

ECL allowances attributable to loan and interest receivables as at 31 December 2024 amounted to HK$263,544,000 (2023: HK$263,310,000). The increase in ECL allowances of HK$234,000 (2023: HK$3,044,000) was recognised in the consolidated statement of profit or loss during the year.

25. LOAN AND INTEREST RECEIVABLES *(Continued)*

The following is an aging analysis of loan and interest receivables based on the contract note at the reporting date:

	2024 HK$'000	2023 HK$'000
Not past due or less than 1 month past due	9,986	97,186
1–3 months past due	–	–
3–6 months past due	–	1,773
6–12 months past due	–	–
Over 12 months past due	371,733	374,237
	381,719	473,196
Less: ECL allowances	(263,544)	(263,310)
	118,175	209,886
Classified as:		
Non-current assets	–	79,900
Current assets	118,175	129,986
	118,175	209,886

26. DEPOSITS WITH BROKERS AND CASH AND CASH EQUIVALENTS

As at 31 December 2024, the cash and cash equivalents of the Group denominated in RMB or HKD and kept in the PRC amounted to approximately HK$2,232,000 (2023: HK$96,383,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

The Group maintains segregated accounts with authorised institutions to hold clients' monies in the normal course of business. At 31 December 2024, client money maintained in segregated accounts not otherwise dealt with in the consolidated financial statements amounted to approximately HK$4,377,000 (2023: HK$126,217,000).

As at 31 December 2024, deposits with brokers were mainly placed in the licensed stockbrokers in Hong Kong and the PRC, which amounted to approximately HK$42,537,000 (2023: HK$213,008,000).

The carrying amounts of deposits with brokers and cash and cash equivalents approximate to their fair values.

27. ACCRUALS AND OTHER PAYABLES

	Note	2024 HK$'000	2023 HK$'000
Contract liabilities	(a)	4,600	9,200
Deposits received	(b)	108,637	111,255
Receipts in advance		7	4,250
Other tax payables		2,298	2,614
Accruals and other payables		22,789	34,439
		138,331	161,758

(a) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	9,200	13,800
Recognised as revenue during the year	(4,600)	(4,600)
At 31 December	4,600	9,200

The amount of transaction price allocated to the performance obligations that are unsatisfied at the reporting date is as follows:

	2024 HK$'000	2023 HK$'000
Expected timing of revenue recognition:		
Within 1 year	4,600	4,600
More than 1 year but within 2 years	–	4,600
	4,600	9,200

(b) Included in the deposits received, HK$107,987,000 (2023: HK$110,348,000) represented the deposit received as a pledged asset for a loan receivable of HK$121,285,000 (2023: HK$122,116,000) as at 31 December 2024.

28. LOAN AND INTEREST PAYABLES

	Note	**2024** **HK$'000**	2023 HK$'000
Repurchase agreements	(a)	–	26,647
Interest payables		–	992
		–	27,639

As at 31 December 2024, the Group did not have any borrowings. As at 31 December 2023, the loans bore interest at fixed rate ranging from 5.31% to 7.02% per annum.

The Group's borrowings were repayable as follows:

	2024 **HK$'000**	2023 HK$'000
Within 1 year	–	27,639

The fair values of borrowings approximate their carrying amounts, as the impact of discounting is not significant.

Note:

(a) As at 31 December 2024, the Group did not have any borrowings. As at 31 December 2023, the Group entered into repurchase agreements with financial institutions to sell bonds recognised as financial assets at fair value through profit or loss with carrying amount of approximately HK$75,233,000 which were subject to the simultaneous agreements to repurchase these investments at the agreed date and price. The repurchase prices were pre-determined and the Group was still exposed to substantially all the credit risks, market risks and rewards of those bonds sold. These bonds were not derecognised from the financial statements but regarded as "collateral" for the liabilities because the Group retained substantially all the risks and rewards of these bonds.

29. SHARE CAPITAL

	2024		2023	
	Number of shares '000	Amount HK$'000	Number of shares '000	Amount HK$'000
Ordinary shares, issued and fully paid:				
At 1 January	34,714,459	4,454,374	34,714,459	4,454,374
New shares issued (Note)	2,467,500	128,310	–	–
At 31 December	37,181,959	4,582,684	34,714,459	4,454,374

Note:

On 27 September 2024, the Company as warrantor and an indirect wholly-owned subsidiary of the Company as purchaser (the "Purchaser") entered into two sale and purchase agreements ("Agreements") with two vendors respectively, pursuant to which vendors agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of two target companies (the "Acquisition"). The two target companies are special purpose vehicles of the vendors, with each of their principal assets being investments in certain class B shares of SC Lowy Partners (Cayman) Ltd. ("SCL"), representing in total 7.08% of the total issued share capital of SCL. The aggregate consideration payable by the Company to the vendors amounted to US$23,500,000 (equivalent to approximately HK$183.3 million) and had been satisfied as to (i) US$7,050,000 (equivalent to approximately HK$55.0 million) in cash; and (ii) US$16,450,000 (equivalent to approximately HK$128.3 million) by way of the allotment and issue of the consideration shares by the Company.

Pursuant to the Agreements, a total of 2,467,500,000 consideration shares of the Company shall be allotted and issued to the vendors, which represent approximately 7.11% of the issued share capital of the Company as at 27 September 2024 and approximately 6.64% of the issued share capital of the Company as enlarged by the allotment and issue of all the consideration shares. Completion of the Acquisition took place on 7 October 2024 and the new shares were issued on the same date at the issue price of HK$0.052 per share. Upon completion of the Acquisition, the investment in SCL is classified as financial assets at fair value through profit or loss.

Please refer to the announcements of the Company dated 27 September 2024 and published on 29 September 2024 for further details of the Acquisition.

30. OTHER RESERVES

(i) Capital reduction reserve

The capital reduction reserve account of the Group enhancing the Group's ability and flexibility in potential dividend distribution in future. The capital reduction reserve account is available to set off against any losses of the Group and/or to make distribution to its shareholders in the future when appropriate.

(ii) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors, employees and consultants of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 2.22 to the consolidated financial statements.

(iii) Shares held for share award plan

As at 31 December 2024, the Company did not have shares held for share award plan. As at 31 December 2023, the Company had 1,730,830,000 shares held for share award plan.

(iv) Special capital reserve

The application of the special capital reserve is subject to the court order granted by the High Court of Hong Kong SAR. Pursuant to the High Court Order dated 20 November 2002, as long as the Company shall remain a listed company, the balances shall be treated as an undistributable reserve of the Company provided that (1) the Company shall be at liberty to apply the said special capital reserve for the same purposes as a share premium account may be applied; and (2) the amount standing to the credit of the special capital reserve may be reduced by the amount of any increase, after the effective date, in the paid up share capital or the amount standing to the credit of the share premium account of the Company as a result of the payment up of shares by the receipt of new consideration or the capitalisation of distributable profits.

30. OTHER RESERVES *(Continued)*

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2.5 to the consolidated financial statements.

(vi) Statutory surplus reserve

In accordance with the PRC Company Law and the respective company's articles of association, a subsidiary of the Group established in the PRC, being a wholly foreign owned enterprise, is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses), to the statutory surplus reserve. When the balance of the reserve fund reaches 50% of the entity's registered capital, any further appropriation is optional. With the approval from the relevant authorities, the statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. The reserve fund cannot be distributed in the form of cash.

(vii) Investment revaluation reserve

The investment revaluation reserve comprises all fair value gain/loss arising from the revaluation of the financial asset at fair value through other comprehensive income.

31. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2024 HK$'000	2023 HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,496	1,346
Right-of-use asset	10,277	2,444
Investments in subsidiaries	1,735,010	1,735,010
Rental and other deposits	3,280	3,026
Deferred tax assets	22,313	15,297
Total non-current assets	1,779,376	1,757,123
Current assets		
Other receivables, prepayments and deposits	5,124	23,630
Financial assets at fair value through profit or loss	5,873	27,015
Deposits with brokers	23	23
Amounts due from subsidiaries	2,181,079	1,881,332
Cash and bank balances	265,078	308,311
Total current assets	2,457,177	2,240,311
Total assets	4,236,553	3,997,434
EQUITY		
Equity attributable to owners of the Company		
Share capital (Note 29)	4,582,684	4,454,374
Other reserves (Note 31(b))	867,549	689,257
Accumulated losses (Note 31(c))	(1,248,025)	(1,161,340)
Total equity	4,202,208	3,982,291
LIABILITIES		
Non-current liability		
Lease liabilities	8,956	–
Total non-current liability	8,956	–
Current liabilities		
Accruals and other payables	23,454	12,524
Lease liabilities	1,935	2,619
Total current liabilities	25,389	15,143
Total liabilities	34,345	15,143
Total equity and liabilities	4,236,553	3,997,434

Approved by the Board of Directors on 28 March 2025 and signed on its behalf by:

Li Feng *Director*	**Xie Fang** *Director*

31. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(b) Reserve movement of the Company

	Capital reduction reserve HK$'000	Shares held for share award plan reserve HK$'000	Special capital reserve HK$'000	Total HK$'000
At 1 January 2023	140,850	(178,764)	726,699	688,785
Release of shares held for share award plan	–	472	–	472
At 31 December 2023 and 1 January 2024	140,850	(178,292)	726,699	689,257
Release of shares held for share award plan	–	178,292	–	178,292
At 31 December 2024	140,850	–	726,699	867,549

(c) Movement of accumulated losses of the Company

	Accumulated losses HK$'000
At 1 January 2023	(987,782)
Loss for the year	(173,187)
Release of shares held for share award plan	(371)
At 31 December 2023 and 1 January 2024	**(1,161,340)**
Profit for the year	**7,146**
Release of shares held for share award plan	**(93,831)**
At 31 December 2024	**(1,248,025)**

32. SHARE-BASED COMPENSATION

Equity-settled share option scheme

On 9 December 2013, the shareholders of the Company approved the termination of the share option scheme adopted by the Company on 28 May 2004 (the "2004 Share Option Scheme") and the adoption of a new share option scheme (the "2013 Share Option Scheme"). The 2013 Share Option Scheme expired on 8 December 2023.

2013 Share Option Scheme

Under the 2013 Share Option Scheme, the directors of the Company may, at their discretion, grant options to executives and key employees in the service of any member of the Group and other persons who may make a contribution to the Group subject to terms and conditions stipulated therein. The exercise price for any particular option shall be such price as the board of directors of the Company may in its absolute discretion determine at the time of grant of the relevant option subject to the compliance with the requirements for share option schemes under the Listing Rules.

At 31 December 2024 and 31 December 2023, the Company had no option granted under the 2013 Share Option Scheme.

2004 Share Option Scheme

The 2004 Share Option Scheme was terminated on 9 December 2013 such that no further option can be granted under the 2004 Share Option Scheme, but all options granted previously will remain exercisable in accordance with the terms of the 2004 Share Option Scheme and the relevant letters of offers to the respective grantees.

At 31 December 2024 and 31 December 2023, no options to subscribe for shares were granted under the 2004 Share Option Scheme.

Share award

On 19 December 2018, the Group adopted a share award plan. The purpose of the share award plan is to recognise and reward the contribution of selected employees or directors, to give incentives in order to retain them for the continual operation and development of the Group. The share award plan shall be valid and effective for a period of 10 years commencing from 19 December 2018 but may be terminated earlier as determined by the Board.

During the year ended 31 December 2024, the Company did not acquire any shares from open market through a trustee for the share award plan (2023: HK$Nil) and the Company had granted 1,730,830,000 shares to certain employees under the share award plan (2023: 4,580,000 shares). The fair value of shares granted amounting to approximately HK$84,461,000 (2023: HK$101,000) was determined based on the quoted market price of the shares at the date of grant and was recognised as share-based payment expense in profit or loss during the year ended 31 December 2024.

33. CONTINGENT LIABILITIES

On 7 June 2022, CVAM received the Writ of Summons with an indorsement of claim issued by the plaintiff in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region naming CVAM as a defendant. Details of the receipt of Writ of Summons are set out in the Company's announcement dated 10 June 2022. Subsequently, on 5 August 2022, the Fund was also added as a defendant.

As stated in the indorsement of claim attached to the Writ of Summons, the plaintiff claims against the defendants, among others, for: (1) a sum of US$17,090,460.61, being the original investment amount of US$25,000,000.00 made by the plaintiff in the Fund where CVAM serves as the investment manager, less US$7,909,539.39, being the redemption proceeds paid to the plaintiff; (2) interest for investment in the Fund; (3) loss and/or damages; (4) such further or other reliefs as the court shall deem fit; and (5) costs.

The Group has sought legal advice in respect of the litigation. At the end of the reporting period and up to the date of approval of the consolidated financial statements, based on the information available and the advice from external legal advisors, the Group's management assessed that whether any present obligation exists remains high uncertainty. Accordingly, the Group has not made any provisions for claim arising from the litigation, other than the related legal and other costs.

CVAM, as a licensed corporation registered with the SFC, may be required to assist in and/or are subject to inquiries by relevant regulatory authorities in Hong Kong, including the SFC, if and when necessary. CVAM has been involved in ongoing communication with regulatory authorities regarding matters being investigated by the Group in prior year and no disciplinary action has been initiated by any regulatory authorities as of the date of this report. The Group has not made any provision for the aforementioned contingency.

Save as disclosed above and elsewhere in these consolidated financial statements, as at 31 December 2024, the Group and the Company did not have any significant contingent liabilities (2023: HK$Nil).

34. COMMITMENTS

Capital commitments

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitments as at 31 December 2024 amounted to approximately HK$12,292,000 (2023: HK$260,656,000).

35. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2024 HK$'000	2023 HK$'000
Fee income received from asset management, net (Note i)	1,208	1,164
Underwriting fee income (Note ii)	150	–
Dividend income (Note iii)	7,014	2,067

Note i: The Group provided fund management service to a related party fund managed by our subsidiary namely CVAM since prior years. The fund management fee and performance fee are determined with reference to the market rate offered to other third party investor of the fund. No such fund management service income was recognised from this related party fund during the years ended 31 December 2024 and 2023. As at 31 December 2024, the fee receivable amounted to approximately HK$1,232,000 (2023: HK$1,241,000).

The Group also provided co-investment management service to certain related party funds in which the Group had substantial interest, and recognised a net income of fund management fee of HK$1,208,000 (2023: HK$1,164,000). The fund management fee is determined with reference to the market rate offered to other third party investor of the fund. As at 31 December 2024, the fee receivable amounted to approximately HK$271,000 (2023: HK$110,000).

Note ii: During the year ended 31 December 2024, the Group has received underwriting commission income of HK$150,000 (2023: HK$Nil) in accordance with the terms of relevant subscription agreements in which Vered Investment Co., Ltd, a non-controlling shareholder of the Company, issued a corporate bond and a subsidiary of the Company acted as one of the arranger in the offerings. As at 31 December 2024, the fee receivable amounted to HK$Nil (2023: HK$Nil) after ECL allowances.

Note iii: During the year ended 31 December 2024, the Group has received dividend income of HK$7,014,000 from certain related party funds (2023: HK$2,067,000). Dividend income is determined by fund manager with reference to the fund mandate.

(b) The remuneration for directors and other members of key management of the Group during the year is disclosed in note 12 to the consolidated financial statements.

36. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities:

	Liabilities from financing activities		
	Margin payables HK$'000	Loan and interest payables HK$'000	Lease liabilities HK$'000
As at 1 January 2023	–	–	11,345
Changes from financing cash flows:			
Proceeds from loan payables	–	26,647	–
Drawdown of margin payables	5,303	–	–
Repayment of margin payables	(5,303)	–	–
Principal elements of lease rentals paid	–	–	(8,726)
Other changes:			
Interest expenses	12	1,086	275
Interest paid	(12)	(94)	(275)
As at 31 December 2023 and 1 January 2024	–	27,639	2,619
Changes from financing cash flows:			
Repayment of loan payables	–	(26,647)	–
Principal elements of lease rentals paid	–	–	(2,546)
Other changes:			
Interest expenses	–	608	92
Interest paid	–	(1,600)	(92)
Acquisition — leases	–	–	10,818
As at 31 December 2024	–	–	10,891

37. EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the directors of the Company propose to implement the share consolidation on the basis that every twenty issued existing shares in the share capital of the Company ("Existing Shares") be consolidated into one consolidated share ("Consolidated Shares") ("Share Consolidation"). As at the date of the proposal, 37,181,959,250 Existing Shares have been allotted and issued. Assuming no change in Existing Shares, upon the effective of Share Consolidation, not more than 1,859,097,962 Consolidated Shares will be in issue. Details of the proposed Share Consolidation were set out in the Company's announcements dated 28 March 2025.

Save as disclosed above and elsewhere in this report, there were no other material subsequent events since the end of the reporting period and up to the date of this report.

38. RECLASSIFICATION

Certain comparative figures have been reclassified to conform with the current year's presentation.

FIVE YEAR FINANCIAL SUMMARY (UNAUDITED)

	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
Results					
Turnover	**109,392**	114,385	243,757	302,540	318,327
Profit/(loss) attributable to:					
— Owners of the Company	**222,816**	(24,834)	(623,263)	71,189	323,452
— Non-controlling interests	**380**	1,273	455	(1,009)	(1,161)
Assets and liabilities					
Total assets	**4,729,696**	4,318,496	4,464,246	5,467,773	6,187,043
Total liabilities	**(344,658)**	(329,539)	(309,046)	(527,098)	(898,421)
Total equity	**4,385,038**	3,988,957	4,155,200	4,940,675	5,288,622