


True Partner Capital Holding


Annual Report 2023

True Partner Capital Holding Limited

Incorporated under the laws of the Cayman Islands with limited liability

Stock code: 8657


Frans Hals, one of the most famous Dutch painters of the 17th century.

True Partner Capital honors the great Dutch Masters in painting, delivering beauty and art globally.

A master in his own time, forerunner of Impressionism. His technique earned Hals a reputation of an expert painter, equal to that of Rembrandt in the Netherlands or Velazquez in Spain.

In this Annual Report we like to give readers the opportunity to enjoy Frans Hals' works of art.

FRANS HALS

Militia company of district XI under the command of captain Reynier Reael, known as 'The Meagre Company', Frans Hals, Pieter Codde, 1637, Rijksmuseum, Amsterdam

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "**Directors**" or individually a "**Director**") of True Partner Capital Holding Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

Corporate Overview

Established in 2010, by a team of former market makers, True Partner Capital Holding is a specialised hedge fund manager

Focused on volatility trading in liquid markets, principally in equity index futures, options and ETFs

Diversified **global investor base** across our products

Stable and experienced management: key personnel have worked together for almost a decade

Specialised segment of asset management with **a history of growth**

3-T Model – Combination of **advanced technology** with **experienced team** covering **specialised trading strategies**

Global coverage to enable **trading around the clock**, with offices in Asia, the US and Europe

The Company benefits from **proprietary technology** that shapes its trading approach and includes a range of modules and tools

Potential **growth opportunities** in adjacent market segments leveraging **scalable investment platform**

Contents

Corporate information

Board of Directors

Executive Directors
Ralph Paul Johan van Put
(Chairman and Chief Executive Officer)
Godefriedus Jelte Heijboer
Tobias Benjamin Hekster
Roy van Bakel

Independent Non-executive Directors
Jeronimus Mattheus Tielman
Wan Ting Pai
Ming Tak Ngai

Audit committee

Wan Ting Pai *(Chairwoman)*
Jeronimus Mattheus Tielman
Ming Tak Ngai

Remuneration committee

Wan Ting Pai *(Chairwoman)*
Ralph Paul Johan van Put
Godefriedus Jelte Heijboer
Jeronimus Mattheus Tielman
Ming Tak Ngai

Nomination committee

Wan Ting Pai *(Chairwoman)*
Ralph Paul Johan van Put
Godefriedus Jelte Heijboer
Jeronimus Mattheus Tielman
Ming Tak Ngai

Company secretary

Siow Grace Yuet Chew
ACG, HKACG

Authorised representatives

Ralph Paul Johan van Put
Godefriedus Jelte Heijboer

Compliance officer

Roy van Bakel

Registered office in the Cayman Islands

P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Head office and principal place of business in Hong Kong

Suites 2902-3, 29/F Tower 2
The Gateway
Harbour City
Kowloon
Hong Kong

Cayman Islands principal share registrar and transfer office

Appleby Global Services (Cayman)
Limited
71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Legal advisers

As to Hong Kong law:
Kwok Yih & Chan

As to Cayman Islands law:
Appleby

As to US law:
Thompson Coburn LLP

Auditor

PKF Hong Kong Limited
Certified Public Accountants
26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay, Hong Kong

Principal banker

DBS Bank (Hong Kong) Limited

Stock code

8657

Company website

www.truepartnercapital.com
(contents of this website do not form part of this report)

Results

Annual Report 2023

The board of directors of the Company (the "**Board**") is pleased to announce the audited annual results of the Company and its subsidiaries (together as the "**Group**") for the year ended 31 December 2023 (the "**Reporting Period**") together with the comparative figures of the corresponding period in 2022 as set out below:

Financial Highlights

	2023 (HK$'000)	2022 (HK$'000)	% Change
Total Revenue	**13,289**	44,793	(70)
Revenue from fund management business	**12,398**	44,106	(72)
Revenue from consultancy services	**873**	687	(27)
Net trading gain	**18**	–	NA
Gross profit	**11,687**	41,395	(72)
Operating loss *Note 1*	**(65,429)**	(32,150)	104
Loss for the year	**(67,001)**	(33,508)	100
Loss attributable to owners of the Company	**(67,001)**	(33,636)	99
Total comprehensive loss	**(66,510)**	(31,013)	114
Loss per share (HK cents) – Basic and diluted *Note 2*	**(16.75)**	(8.41)	99

Notes:

1. Operating loss represents loss before income tax adding back net fair value gain/(loss) on financial assets at fair value through profit or loss, finance costs and share of results of associates.
2. The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the Company of HK$67,001,000 (2022: HK$33,636,000), and the weighted average number of ordinary shares of 400,000,000 shares in issue during the period. Diluted loss per share for the period ended 31 December 2023 and 2022 is the same as there were no potential ordinary shares in issue as at 31 December 2023 and the basic loss per share as the effect of the conversion of the Company's share options would result in an antidilutive effect on the loss per share in 2022.

Selected Business and Financial Highlights

- The year ended 31 December 2023 (the "**Reporting Period**") saw a rally in global equity markets, continuing the gains seen in Q4 2022, despite the US Federal Reserve tightening policy by more than had been expected during the year. Measures of equity index volatility generally saw strong declines over the Reporting Period.

- The MSCI World Total Return Hedged to US Dollars ("**MSCI World**") had a gain of +24.3% over the Reporting Period. The MSCI World experienced strong gains in Q1 2023 (+7.7%) and in Q2 2023 (+7.4%), had a small loss in Q3 2023 (-2.4%) and a strong rally in Q4 (+10.1%). The Bloomberg Global Government Bond Index Hedged to US Dollars ("**Global Bond Index**") had a gain of +6.9% over the Reporting Period, following losses in 2022 (-10.0%) and 2021 (-1.6%).

- Popular measures of at-the-money implied volatility declined sharply over the Reporting Period. The VIX index fell from 21.7 to 12.5. A similar measure for the Euro Stoxx 50, the VSTOXX, fell from 20.9 to 13.6, while the equivalent measures in the Japanese Nikkei fell from 19.9 to 17.5 and in the Korean Kospi 200 index from 18.4 to 17.8 respectively. These measures provide a snapshot of implied volatility at different points in time but are not directly tradable.[1] Of these various indices, the VIX has the most liquid derivatives market, via VIX futures and options. The ProShares VIX Short-Term Futures ETF ("**VIX ETF**"), which systematically buys and rolls short-term VIX futures, can be seen as a proxy for the performance of continuously holding a long position in short-term VIX futures. The VIX ETF was down by -72.7% over the Reporting Period.[2]

- The year of 2023 was also a difficult period for strategies that seek to be long protection on equity indices. To illustrate this, one can compare the returns of the CBOE S&P 500 5% Put Protection Index (the "**Put Protection Index**") with the returns of the S&P 500 Total Return Index ("**S&P 500 TR**"). US equities are by some way the largest component of the MSCI World index. The Put Protection Index is a simulated strategy that holds a long position in the S&P 500 and also systematically buys 5% out of the money put options on the S&P 500 according to a set schedule. The relative returns of the Put Protection Index and the S&P 500 TR thus can serve as an illustration of the relative costs and benefits of holding downside protection on US equities.

- Over the Reporting Period, the Put Protection Index was up +19.2%, while the S&P 500 TR was up +26.3%, i.e. the Put Protection Index underperformed the S&P 500 TR by -7.1%, which can be attributed to the cost of holding protection. While the Put Protection index would naturally be expected to underperform

1. The metrics referenced are the Nikkei Stock Average Volatility Index and the Kospi 200 Volatility Index.

2. Sources: Bloomberg, True Partner

in a rising equity market, the differential followed an underperformance of -1.7% in 2022, where the Put Protection index had a larger loss than the S&P 500 TR (-19.8% vs. -18.1%), despite holding protection in a market where the S&P 500 TR fell -18.1%. Our strategies are absolute return and alpha focused and as such different to the Put Protection Index, but this does illustrate the difficult environment for protective strategies over both the Reporting Period and during the year of 2022.

Boy with a Lute, circa 1625

- The backdrop over the Reporting Period would generally be expected to create a relatively challenging environment for our index volatility trading. The Group's trading strategies are predominantly relative value in nature, but historically have seen their best performance in periods of falling equity markets and rising volatility. However, our relative value volatility strategy was able to preserve capital and to deliver a small positive return of +0.8% over the Reporting Period.[3] Our relative value volatility strategy also exhibited a negative correlation and beta to equity markets over the period, providing diversification benefits to investors. The worst month for the MSCI World over the Reporting Period was September 2023, which was the best month for our relative value strategy over the same period.

- As we have highlighted in both positive and negative periods of performance, investment performance in

3. This material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance. Returns are based on Class B shares and are shown based on the current 1% management fee and 20% performance fee. As previously disclosed, the fee structure has been revised to a 1% management fee and a 20% performance fee effective as of October 2023. Previously the Fund applied a 2% management fee and a 20% performance fee. Using the previous fee structure prior to October 1, 2023 would result in a +0.05% return for 2023.

any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group's products typically focus on long-term investment performance as a key metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 31 December 2023, the True Partner Fund, the Group's longest running fund product, has delivered a higher return and alpha than the Eurekahedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, despite that broad index having a positive beta to equities (which was beneficial to its performance over the period) and the True Partner Fund having a negative beta to equities. The True Partner Fund has also delivered a higher alpha, an important measure of risk-adjusted return, than each of the CBOE Eurekahedge Relative Value Volatility, CBOE Eurekahedge Long Volatility and CBOE Eurekahedge Short Volatility indices.[4]

- The Group's assets under management were lower relative to the comparable period in 2022 and to the level on 30 September 2023. Assets under management were US$885 million as of 31 December 2023 as compared to US$1,516 million as of 31 December 2022 and US$1,085 million as of 30 September 2023. The decrease in assets under management over the year

Portrait of Jacobus Hendricksz Zaffius, circa 1611 ended 31 December 2023 was primarily driven by the investment portfolio adjustments of some investors. Based on our discussions with the relevant investors, we understand that the large majority of the change in assets under management over the year of 2023 occurred for idiosyncratic, client-specific reasons and did not reflect a change in conviction in our investment approach.

- Revenues for the year of 2023 were HK$13.3 million. This compares to revenues of HK$44.8 million for the year of 2022. The decrease in revenue was primarily due to the decrease in assets under management and shifts in product mix over the period. These factors had the result of lowering the average assets under management and the average management fee charged on the Group's assets under management for the year of 2023 as compared to the year of 2022.

- As discussed above, the market environment for the Group's investment approach was also challenging. This resulted in lower performance fee income than the Group's long-term objectives. The combination of all these factors led to a decrease in the average level of assets under management, the average revenue per unit of assets under management and overall revenues for the year of 2023 as compared to the year of 2022.

- General and administrative expenses were HK$78.3 million in the year of 2023, as compared to HK$74.1 million in the year of 2022. The HK$4 million increase was the impairment loss of plant and equipment, right-of-use and intangible assets recognized in the Reporting Period. The Board believed that this was a prudent approach to take due to the less favourable than expected business environment. The other small increase in expenses was primarily due to an increase in staff cost, which was partially offset by the decreased cost of professional and marketing fees. During the third quarter of 2023, the Group reviewed its operations and made adjustments where it was able to identify redundancies and opportunities for efficiency gains. As a result, the Group has reduced its headcount by 34.48% and implemented a cost reduction plan in its general and administrative expenses. While expenses are subject to uncertainty and the influence of a range of factors, the Group expects to see some benefit from these adjustments over the following twelve months.

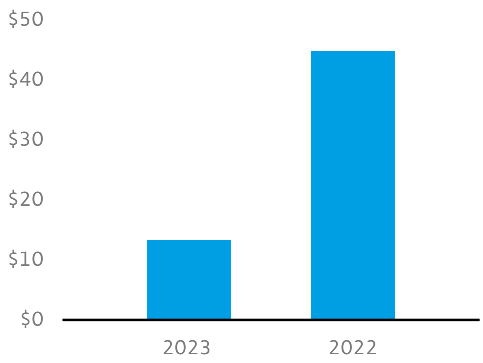
- The Group's loss before income tax was a loss of HK$65.5 million in the Reporting Period, as compared to a loss of HK$34.6 million in the year of 2022. Loss attributable to owners of the company was HK$67 million in the year of 2023 (after tax), as compared to a loss of HK$33.6 million in the year of 2022.

4. The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies.

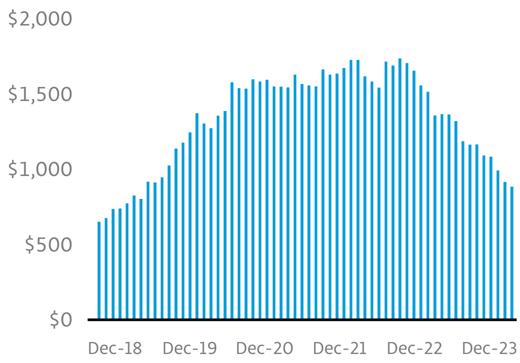
Selected financial highlights

(in HK$ millions as of 31 December 2023 unless stated, where noted comparison is to 31 December 2022)

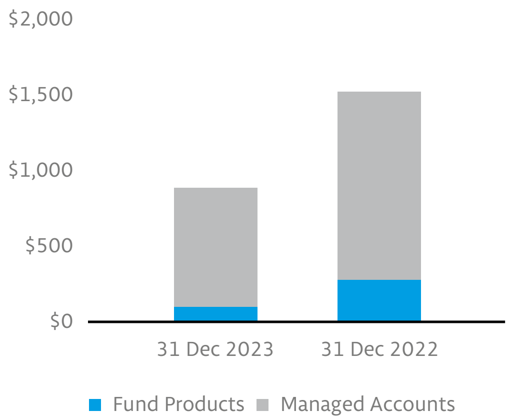
Revenues



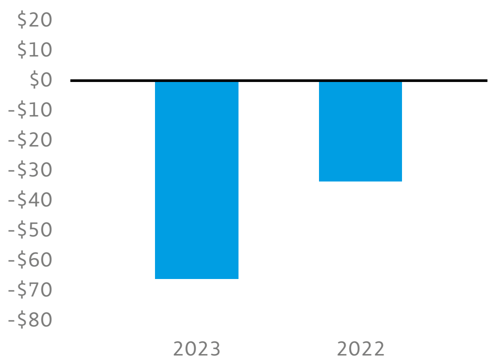
Assets under management ("AUM") (US$ millions)[5]



Breakdown of AUM by Product Type ($US millions)[4]



Loss attributable to owners of the Company



5. The Group manages or advises on both fund products and other investment mandates. For the purposes of this report, fund products launched by the Group or co-branded with the Group where a subsidiary of the Group is the investment manager or sub-investment manager are grouped under "fund vehicles"; other mandates are grouped under "managed accounts". The Group's managed accounts may deploy the Group's relative value trading strategy and/or other trading strategies. As of 31 December 2023, the Group's relative value trading strategy is deployed across both fund products and managed accounts.

Chairman's Letter

Introduction

Unfortunately, the world doesn't look bright with major wars and conflicts raging and it seems that a peace deal in Ukraine or a cease fire in Gaza will not be established in the very near future. The war in Ukraine has resulted in 100,000's of deaths and a much larger number of casualties, while the Gaza conflict has resulted in thousands of deaths and the dislocation of millions of Palestinians. Our hearts go out to the ones suffering under war and government oppression. True freedom once again is something that we should treasure and try to seek in all we do.

From an economic point of view, the war in the Middle East poses a serious threat to company earnings globally, with the chaos in the Red Sea seriously disrupting global supply chains, while resulting boycotts dampen sales. But at the same time, earnings estimates for the S&P 500 for the coming 12 months are at a record high. The months long rally to new all-time highs across most major indices could seriously be impacted by declining earnings. And recent economic data shows signs that the touted victory over inflation may well have been premature. Any scenario where the Federal Reserve decides not to lower rates as per market expectations, would likely be a strong negative for the markets. Therefore, in our view, both the geopolitical backdrop and the possible rebound in inflation both pose significant market risks going forward.

Market

The rise in bond yields reversed itself over the last quarter of 2023 as benign economic data and dovish statements fed market expectations of more and quick rate cuts. Markets may well be running ahead of themselves as expectations of easing are well beyond what central banks currently guide.

Volatility markets had little responsiveness to October's market declines and compressed further during the recovery. Towards the end of the year the relation between volatility and the underlying index level ('vol-spot relation) turned positive pairing market gains to small increases of same strike volatility. We believe this is a sign of volatilities bottoming out.

Overall in 2023 equity index volatility was notably

Portrait of a woman, circa 1635

lower on a same strike basis, whereas more strength in implied volatility would make sense in light of elevated macro and geopolitical risks. We continue to believe that equity index volatility has room to meaningfully reprice higher, should markets trip up in an awakening from the complacency currently characterizing equity markets. Furthermore, the divergence in volatility between asset classes continues to persist, with equity index volatility muted compared to fixed income volatility and other risk indicators.

The retracement which started in summer of 2023 continued into October as a combination of further increases in rates, poor earnings and the tragic events unfolding in the Middle East weighed on market sentiment. Animal spirits returned at the very end of October and continued with a strong recovery into November and December. Dovish comments from Federal Reserve Chairman Powell and back-to-back monthly favorable consumer price index prints in the US had the effect of propelling equity markets higher, with November one of the best months on record. Into the end of the year, the Dow Jones and Nasdaq 100 reached their all-time highs with the S&P 500 just below its high. As I am writing this, Japan's Nikkei index reached its 34 years high and all the US major indices have already reached all time high levels.

Portrait of a man, circa 1635

Illustrative of the degree of suppression of equity implied volatilities over the year 2023, the VIX index declined from 21.67 to 12.45, while the tradeable short-term VIX Futures ETF lost 73% over the year.

In fixed income markets, while the breach of the 5% level in US 10-year yields startled markets in October, the narrative of a soft landing gained traction as rates strongly receded over the quarter. US 10-year yields declined some 69 basis points in the last quarter of 2023, ending solidly below 4%. The moderation of inflation triggered market expectations of up to six rate cuts in 2024. As I stated earlier, it remains to be seen whether the Federal Reserve will act along these expectations.

Business development

From a business development perspective, the team continually improves the volatility strategies underlying our Funds and mandates. Among others, the strategy improvements have allowed the True Partner Fund to weather the low-volatility environment in 2023 relatively better than several of its peers.

Looking at the customized offering of defensive and hedge portfolios to institutional investors, the main development for the coming year ties to the reforms to the Dutch pension system. This wholesale change in one of the largest pension systems in the world (at over EUR 1.5 trillion in invested assets) effectively entails a change from a Defined Benefit framework to one more based on Defined Contribution. Contrary to other systems which had had comparable changes phased-in over an extended period of time, the Dutch reforms will take place by means of a' big-bang' transition at the individual pension funds.

Two aspects of this transition are of particular relevance to the Group. Firstly, as has been the case in reforms in other countries, shifting from Defined Benefit to Defined Contribution, it is expected that overall allocation to risk-assets (notably equities) will increase at Dutch pension plans. Secondly, the process in which the transition takes place exposes Dutch pension plans to market volatility over the years up until implementation, as adverse market developments could impair the funds' possibility to compensate participants to affected by the changes or even preclude the funds from transitioning in the first place.

Therefore, this pension transition is a one-off event that presents a challenge and an opportunity for pension funds. They are entrusted with the responsibility of helping to ready the Dutch pension system for the retirement of the next several generations, potentially benefiting millions of individuals. The teams at True Partner Capital are ready to work in partnership with pension funds to help ensure a smooth transition, where risks are managed, costs are kept in check and pension participants can benefit from the collective investment experience of their pension fund teams and external experts.

Our True Partner Fund and other offerings are a suitable building block in this approach, and we are excited that our platform offers both 'off the shelf' solutions with long track records and the ability to customize our offering to an investor's specific needs and objectives, tailoring solutions that are designed to protect / enhance portfolios in specific scenarios.

Our technology allows us to easily scale our trading strategies and run multiple mandates simultaneously on our platform, enabling us to offer customized portfolios to multiple institutions in an efficient manner. The sophisticated execution logic, combined with our risk management systems, enable us to continually monitor, analyse and rapidly adapt to constantly changing markets.

Our global presence with offices in Hong Kong, Singapore, Amsterdam, London, and Chicago allows us to trade 23 hours a day and actively manage our investment strategies for our clients. And through this global footprint we can liaise with international institutional clients across the globe as we deliver investment solutions further to their objectives and requirements.

Our track record of providing positive, diversifying investment returns over the past decade, as represented by our flagship True Partner Fund, demonstrates our abilities. It also forms a potential building block for targeted protective strategies that are customized to investors' individual requirements, working in tandem with other tailored components we have developed. But what our track record and experience also reflect is the adaptiveness that characterizes our firm. Since our days as market makers, the one constant among an ever-changing market has been adapting to these changes.

Our Sales efforts, strengthened by the Company's continued investments allow us to efficiently engage with investors and prospects for our funds and tailored investment solutions. Not only by sharing our insights and knowledge at industry events such as the Global Volatility Summit or at attending investment forums through our prime brokers, but also through well-attended quarterly webinars and targeted publications in industry magazines. The marketing efforts are powered by our Client Relation Management (**'CRM'**) system containing over 1000 investors and prospects, which leverages both proprietary tools and industry-leading systems such as FolioMetrics allowing us to target, track and engage with these investors and prospects. As education is an important part of the sales cycle, we continuously try and attract investor's awareness of our specialism in the engineering of investment solutions and highlight the capabilities to deploy our expertise for their investment needs.

And finally, **our commitment** to utilize these tools and experience to provide competitive offerings. As referenced above, we believe that there is an attractive opportunity ahead for managers who can truly add value to clients. With our scalable and efficient global platform, we believe we can offer investors a true partnership, where objectives and interests are aligned, and fees are fair. Our company name is no coincidence, but the mantra under which we have thrived for over a decade and counting.

Over the past decade, we laid the foundations for our global, multi strategy hedge fund platform and 2023 was no exception to this continuous development. We will continue to expand our presence.

Capturing the growth and opportunities which we envisioned in our listing remains our focus. Besides the growth in our customized offerings, the expanded infrastructure both in terms of technology and locations, we have progressed with our onshore China exposure and expect to launch our first derivatives fund offering later this year. As always, the team strives to explore all avenue to create potential value for our shareholders. As such, the Company may from time to time engage in discussions for potential business transactions involving other companies. Should any such discussion progress to a more material stage, we will of course update all our shareholders by means of a general market notice.

All in all, 2023 has been a year with many faces. A year in which the challenging strong market environment challenged our fund and mandates' performance, which is reflected in the lower revenue generated from performance fees. And a year in which we have continued to invest in order to capitalize on the opportunities we see ahead. As such, the Board has recommended the payment of no dividend for the year ended 31 December 2023.

My fellow Board members and I thank our fund management clients and our shareholders for their support and trust in our firm. We and the full True Partner team look forward to continuing to serve you during the year ahead.

Ralph Paul Johan van Put
Chairman and Chief Executive Officer
Hong Kong, 26 March 2024

DUTCH MASTERS
FRANS HALS

Rijksmuseum, Amsterdam, the Netherlands – Credits: On loan from the City of Amsterdam

Militia company of district XI under the command of captain Reynier Reael, known as 'The Meagre Company', Frans Hals, Pieter Codde, 1637

Management discussion and analysis

Business review

The Company is a Hong Kong, Europe and US based fund management group with a focus on volatility trading in liquid markets. The Company and its subsidiaries (together as the "**Group**") principally manage funds and managed accounts on a discretionary basis using a global relative value volatility strategy and other volatility strategies developed by the Group. The Company may also engage in limited trading of proprietary capital, principally via derivatives, as part of its research into new strategies and markets that may be appropriate for inclusion in the mandates it runs for external clients. The strategies run by the Group principally involve the active trading of liquid exchange listed derivatives (including equity index options, large cap single stock options, as well as futures, exchange traded funds and equities) across major markets (including the US, Europe and Asia) and different time zones. Our trading decisions are supported by our in-house proprietary trading platform (embedded with option pricing and volatility surface models) designed for our specific way of trading and which enables real-time pricing of implied volatilities, quantitative comparisons, risk management as well as speedy execution of trades. Our team's collective expertise and specialised knowledge in options and volatility trading is the foundation of our proprietary trading technology.

Our firm assets under management are US$885 million as of 31 December 2023 and we currently manage or advise on both fund products and managed accounts. Our longest running fund product was launched

Young Man and a Woman in an Inn, 1623

6. The metrics referenced are the Nikkei Stock Average Volatility Index and the Kospi 200 Volatility Index.

in July 2011 and was later restructured into a master-feeder structure to facilitate investments from US taxable investors. In 2016 we launched a further fund, which is similarly structured, but with a trading strategy which has a long volatility bias. Together with International Asset Management (“**IAM**”), we made our strategy available in UCITS format in June 2019, with the launch of a co-branded fund product for which a subsidiary of the Group is the sub-investment manager and IAM is the investment manager. IAM was founded in 1989 and is one of the oldest independent asset management firms specialising in hedge funds and alternative UCITS investments. Assets under management relating to these fund products are grouped together as “fund vehicles” above and below. In addition to funds launched by us or co-branded with us, we also enter investment management mandates with third parties who allocate a sub-fund of their umbrella fund or a portion of their assets to be managed by us. While such arrangements may have different underlying structures in accordance with client preferences, for simplicity we group assets under management relating to these mandates under “managed accounts” above and below.

As of 31 December 2023, our assets under management comprised of US$157 million in comingled fund products (including funds where the Group is a sub-investment manager) and US$728 million in managed accounts or similar arrangements, including fund-of-one structures. The investors in funds and accounts managed or advised by us are mainly professional investors, which may include collective investment undertakings, family offices, pension funds, endowments/foundations, financial institutions and high net worth individuals.

Market Environment

The Reporting Period saw a rally in global equity markets, continuing the gains seen in Q4 2022, despite the US Federal Reserve tightening policy by more than had been expected during the year. Measures of equity index volatility generally saw strong declines over the Reporting Period.

The MSCI World had a gain of +24.3% over the Reporting Period. The MSCI World experienced strong gains in Q1 2023 (+7.7%) and in Q2 2023 (+7.4%), had a small loss in Q3 2023 (-2.4%) and a strong rally in Q4 (+10.1%). The Bloomberg Global Government Bond Index Hedged to US Dollars had a gain of +6.9% over the Reporting Period, following losses in 2022 (-10.0%) and 2021 (-1.6%).

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7. Sources: Bloomberg, True Partner

the S&P 500 TR. US equities are by some way the largest component of the MSCI World index. The Put Protection Index is a simulated strategy that holds a long position in the S&P 500 and also systematically buys 5% out of the money put options on the S&P 500 according to a set schedule. The relative returns of the Put Protection Index and the S&P 500 TR thus can serve as an illustration of the relative costs and benefits of holding downside protection on US equities.

Over the Reporting Period, the Put Protection Index was up +19.2%, while the S&P 500 TR was up +26.3%, i.e. the Put Protection Index underperformed the S&P 500 TR by -7.1%, which can be attributed to the cost of holding protection. While the Put Protection index would naturally be expected to underperform in a rising equity market, the differential followed an underperformance of -1.7% in 2022, where the Put Protection index had a larger loss than the S&P 500 TR (-19.8% vs. -18.1%), despite holding protection in a market where the S&P 500 TR fell -18.1%. Our strategies are absolute return and alpha focused and as such different to the Put Protection Index, but this does illustrate the difficult environment for protective strategies over both the Reporting Period and during the year of 2022.

Investment Performance

The backdrop seen over the Reporting Period would generally be expected to create a relatively challenging environment for our index volatility trading. The Group's trading strategies are predominantly relative value in nature, but historically have seen their best performance in periods of falling equity markets and rising volatility. However, our relative value volatility strategy was able to preserve capital and to deliver a small positive return of +0.8% over the year of 2023.[8] Our relative value volatility strategy also exhibited a negative correlation and beta to equity markets over the period, providing diversification benefits to investors. In particular, the best month for the strategy over the Reporting Period was September 2023, which was also the worst month for the MSCI World over the same period.

As we have highlighted in both positive and negative periods of performance, investment performance in any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group's products typically focus on long-term investment performance as a key metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 31 December 2023, the True Partner Fund, the Group's longest running fund product, has delivered a higher return and alpha than the Eurekahedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, despite that broad index having a positive beta to equities (which was beneficial to its performance over the period) and the True Partner Fund having a negative beta to equities. The True Partner Fund has also delivered a higher alpha, an important measure of risk-adjusted return, than each of the CBOE Eurekahedge Relative Value Volatility, CBOE Eurekahedge Long Volatility and CBOE Eurekahedge Short Volatility indices.[9]

8. This material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance. Returns are based on Class B shares and are shown based on the current 1% management fee and 20% performance fee. The Fund previously applied higher fees prior to October 2023, see footnote above for additional information.

9. The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies.

Mauritshuis, The Hague, the Netherlands
Purchased with the support of the Rembrandt Association, the Prince Bernhard Culture Fund and the Friends of the Mauritshuis Foundation, 1968

Laughing boy , 1625

Two laughing Boys with a mug of beer, circa 1627

Financial Performance

The Group's primary source of revenues is its fund management business. Fund management revenues are derived from both management fees and from performance fees. Revenues for the year 2023 were HK$13.3 million. This compares to revenues of HK$44.8 million for the year of 2022. The decrease in revenue was primarily due to shifts in product mix over the period and a decrease in assets under management. This had the result of lowering the average level of assets under management and the average management fee charged on the Group's assets under management for the year of 2023 as compared to the year of 2022.

Revenue per unit of assets under management can vary as a result of a number of factors. Individual fund products and managed accounts can have different fee structures due to differences in the nature and sizes of the mandates and other factors. Comparing the year of 2023 to the year of 2022, assets under management declined overall as detailed in our regular monthly filings and there were changes in underlying product mix. The changes in assets under management primarily reflected factors including idiosyncratic changes with some underlying clients, as well as the effects of a challenging trading environment in general. Overall, the effects of the changes in assets under management and product mix also included that the expected relative contribution of management fees and performance fees to revenues per unit of assets under management became more focused on performance fees and less focused on management fees.

As discussed above, the market environment for the Group's investment approach was also challenging. This helped result in lower performance fee income than the Group's long-term objectives. The combination of all these factors led to a decrease in the average level of assets under management and the average revenue per unit of assets under management for the year of 2023 as compared to the year of 2022. In combination, these factors also led to a decrease in overall revenues for the year of 2023 as compared to the year of 2022.

General and administrative expenses were HK$78.3 million in the Reporting Period, as compared to HK$74.1 million in the year of 2022. The HK$4 million increase was the impairment loss of plant and equipment, right-of-use and intangible assets recognized in the Reporting Period. The Board believed that this was a prudent approach to take due to the less favourable than expected business environment. The other small increase in expenses was primarily due to an increase in staff costs, which was partially offset by the decreased cost in professional and marketing fees. During the third quarter, the Group reviewed it operations and made adjustment where it was able to identify redundancies and opportunities for efficiency gains. As a result, the Group has reduced its headcount by 34.48% and implemented a cost reduction plan in its general and administrative expenses. While expenses are subject to uncertainty and the influence of a range of factors, the Group expects to see some benefit from these adjustments over the following twelve months.

The Group's loss before income tax was a loss of HK$65.5 million in the year of 2023, as compared to a loss of HK$34.6 million in the comparable period in 2022. Loss attributable to owners of the company was HK$67 million in the year of 2023 (after tax), as compared to a loss of HK$33.6 million in the comparable period of 2022. The Group's comprehensive income attributable to owners of the company was a loss of HK$66.5 million in the year of 2023 vs. a loss of HK$31.1 million in the comparable period of 2022.

Regentesses of the old men's alms house, circa 1664

Meeting of the officers of the Calivermen civic guard, 1633

Assets Under Management

The Group reports its assets under management in US dollars.[10] US dollars are the base currency of most of the Group's fund vehicles and managed accounts. The Group had $885 million in assets under management as of 31 December 2023. This compares to $1,516 million in assets under management as of 31 December 2022, representing a decrease of $631 million or 42%. Relative to 30 September 2023, assets under management decreased by 18% from $1,085 million as of 30 September 2023 to $885 million as of 31 December 2023. The decrease relative to the comparable period of 2022 and relative to 30 September 2023 was primarily driven by the investment portfolio adjustments of some investors in the Group's products. Based on our discussions with clients, we believe that the large majority of the adjustment in assets under management over the year of 2023 was driven by idiosyncratic client-specific factors and does not reflect changes in clients' conviction in our investment approach.

As of 31 December 2023, the Group had $157 million in assets under management in fund vehicles and $728 million in managed accounts. This compares to $277 million in assets under management in fund vehicles and $1,239 million in managed accounts as of 31 December 2022.

10. Figures for assets under management may include figures based on estimated net asset values for fund vehicles or managed accounts managed or advised by the Group

Business Development Activities

Over the last several years, the Group has successfully adapted to the challenging conditions created by Covid-19, and the post-Covid-19 environment. This included expanding its provision of digital content and making use of technology to engage with investors globally. This enabled us to remain active in communication in an environment where there were restrictions on in person interactions and travel and has also provided a beneficial platform to facilitate wider and deeper interactions as travel restrictions have eased and now been removed. We have seen some Covid-era changes become standard practice; for example, interactions that would previously have taken place as voice calls now take place as video conference calls.

During the Reporting Period, the team has been actively engaged with investors and prospects through webinars and on a one-on-one basis. This included holding webinars for the True Partner Fund and various one-on-one meetings. These provided an opportunity to discuss

the Fund's performance in 2022, our 2023 outlook and 2023 year-to-date performance. Working in conjunction with IAM, with whom the Group has a partnership for the UCITS fund product for which we are sub-investment manager, we also held webinars for UCITS investors. The Group also continued to engage with investors and prospects via newsletters and articles. Additionally, the Group has worked on further enhancing its customer relationship management infrastructure and analytics, making use of software that we believe to be industry leading. We have also been actively engaged with our capital introduction partners over the period.

During the year, senior personnel within the Group also continued to be active in meeting investors and prospects in person and in international travel to meet investors where commercially beneficial and in keeping with environmental and social governance responsibilities, alongside the Group's engagement with investors and prospects via digital content.

Senior personnel have also participated in panel discussions at industry events in Asia, the US and Europe. Events included the Global Volatility Summit in New York, the Global Volatility Summit Tokyo, the FOW Trading

11. Source: Northern Trust

Singapore conference, the Derivatives Forum Amsterdam, the Northern Trust Market Mingle in Amsterdam, and the Pensioen Pro Investor Council in Rotterdam. These provided opportunities to engage with clients and prospects in person, to highlight our participation in these events via digital formats, and to share our perspectives on markets.

In addition, the Group has worked together with senior personnel at Northern Trust on thought leadership for the Dutch pension community, where we see potential opportunities to work with pension funds. Northern Trust is one of the world's largest financial institutions and has $1.4 trillion in assets under management as of December 31, 2023. It is ranked as one of the world's most admired companies by Fortune Magazine and has received multiple awards for its business, including specifically for its work with European pensions.[11]

During the second half of 2023, the Group and Northern Trust collaborated on joint pieces in Het Financieele Dagblad, the leading daily financial newspaper in the Netherlands, and Pensioen Pro Magazine, a leading publication for pension funds. In December 2023, the Group and Northern Trust jointly released a white paper focused on the upcoming pension transition in the Netherlands, which was promoted by both the Group and by Northern Trust, including through both firms' websites and social media. The Group's senior personnel have been engaged with relevant parties in the Netherlands during 2023 and we also expect this to be an area of focus in 2024. Our proprietary analytical tools have been instrumental in this work, enabling us to provide pension funds with detailed risk insights.

The Smoker, circa 1623-25

Technology Developments

Our technology team remains focused on maintaining and incrementally further improving the key elements of our core proprietary systems, including the Typhoon Trader, our front-end trading system, Observatory, our real-time risk management system, Quant, our data warehouse and quantitative library, Solunar, our back-

office system, and Nitro, which integrates our different modules into a centralised platform. During the year of 2023, we have focused on further improving the stability, redundancy, and security of both our infrastructure and our proprietary technology and identifying opportunities for efficiency gains. We have also made significant improvements to our proprietary back testing system and analytical tools.

A Militiaman holding a Berkemeyer, known as the 'Merry Drinker', circa 1628 – 1630

Market Outlook

Our investment approach is quantitatively driven with a disciplined process that does not rely on macro forecasts. However, the overall environment is nevertheless an important backdrop. Below we provide some brief observations on the current macro environment and potential implications for investors' approaches to portfolios.

Recent equity market performance has been impressive. Following a strong Q4 2022, markets also rallied strongly in 2023. The MSCI World had a gain of +24.3% over the year and strong performance was broad based across most markets. The S&P 500 Total Return rose +26.3%, the Euro Stoxx 50 Total Return rose +22.2% and the Nikkei 225 Total Return rose +30.4%, while the Nasdaq 100 Total Return rose +55.1%. Korean markets (Kospi 200 Total Return +24.6%) and Taiwanese markets (Taiex Total Return +31.5%) also saw strong gains, while Hong Kong's indices were outliers, with the Hang Seng Total Return falling -10.6% and the HSCEI Total Return seeing a similar loss (-11.0%).

It is interesting to observe that the rise in equity markets has come despite the Federal Reserve raising interest rates by around 100bps more than markets were pricing at the start of 2023,[12] although US 10-year Treasury yields, also an important driver of financial conditions, ended up virtually unchanged on the year at 3.87%. The ECB also surprised markets by hiking more than was priced at the end of 2022, but German bond yields fell over the year from 2.57% to 2.02%, as markets priced in easing in 2024. In our year-end market commentary and conversations with clients we had noted that the degree of cuts priced in for 2024 was considerably more than suggested by the Federal Reserve's 'dot plot' and we have seen implied rates move higher in early 2024, with markets pricing a less aggressive path of easing. Should central banks need to keep interest rates 'higher for longer' in a more meaningful way, we could see a reassessment of the impact in equity markets.

It is easy to forget the mini-banking crisis in March 2023. During this period, Credit Suisse defaulted on its AT1 bonds and was hastily acquired by UBS, while the US saw major issues at several banks, most notably the collapse of Silicon Valley Bank, which had a market capitalisation of almost $20 billion as recently as mid-February 2023. Data suggests that the banking worries are not necessarily all in the past. The latest US FDIC quarterly report on insured institutions (with data as of 30 September 2023) shows that unrealized losses on securities held by insured institutions rose from $620.4 billion at the end of 2022, of which $340.9 billion was in held-to-maturity securities, to $683.9 billion as of 30 September 2023, of which $390.5 billion was in held-to-maturity securities.[13] Should high bond yields be sustained, we may see more difficulties for banks.

Portrait of Feyntje Steenkiste, 1635

Sadly, the geopolitical backdrop also continues to look fragile. The conflict in Ukraine that began following Russia's invasion in February 2022 remains ongoing, with no sign of a near-term resolution, but increasing debate in the US regarding the ongoing provision of support for Ukraine's defence. As we noted in the Company's Interim Report, an increasing secondary effect from the conflict between Russia and Ukraine is the continued wedge it is fostering between countries and

12. Sources: Bloomberg, True Partner

13. Source: FDIC Quarterly Banking Profile reports for Q3 2023 and Q4 2022

regions, increasingly pitting the Western developed nations against Russia and its allies. The process of de-globalization which was already taking place prior to the conflict has been amped up in speed and magnitude. Sanctions are one obvious element of this, but there are also more subtle signs of policy shifts that will have long-term effects. As we have discussed in previous quarterly reports, we believe that this is likely to create long-term inflationary headwinds. As we have highlighted in previous reports, this risk is also a discussion topic in policy circles, as evidenced by ECB President Christine Lagarde's April 2023 speech, where she noted that ECB analysis suggests that geopolitically driven fragmentation of global value chains could lead to up to a 5% rise in consumer prices in the short-run and roughly 1% in the long-run. [14]

In early October 2023, Hamas attacked Israel, targeting and killing a large number of civilians and taking many hostages. In response, Israel has stated its intention to destroy Hamas to protect its citizens. Israel is engaged in military action to achieve this aim in the heavily populated area of the Gaza Strip. As of the time of writing this has resulted in large number of Palestinians having to leave their homes and significant casualties in Gaza, including of many civilians. Israel has also faced hostile actions from other groups linked to Hamas. There are increasing divisions regarding this issue in the international community and the risk of further escalation cannot be ignored.

Equity valuations are another potential concern. Looking at the broader S&P Composite index, the Shiller cyclically adjusted total return P/E ratio, a widely respected measure of valuation, was at 34x at the end of December 2023, vs a 50-year average of 24x and a longer-run average of 21x (since 1881).[15] That puts valuations in around the 95th percentile over the full data set, and in the top quintile of most expensive periods over the last 50 years, or a bit more expensive than stocks were coming into 2008. In this context, it is worth noting that earnings for 2023 have not supported the rise in equities over the Reporting Period; rather valuations have expanded. At the start of the rally at the end of Q3 2022, analysts expected earnings for the S&P 500 to be 10% higher in 2023 than companies actually achieved in 2023.[16] Yet, over that same period from the end of Q3 2022 to the end of 2023, the S&P 500 Total Return rose by +36%.

Amid this backdrop, we believe that it is prudent for investors to consider the risks of a sharp deterioration in equity markets. Realized volatility has so far been relatively muted in most markets, and implied volatility remains low. However, that could change very quickly, as we have seen at points in the past such as in 2020 and in 2008. In mid-February 2020,

Regents of St Elisabeth's hospital, circa 1641

14. 'Central banks in a fragmenting world'; Speech by Christine Lagarde, President of the ECB, at the Council on Foreign Relations' C. Peter McColough Series on International Economics, New York, 17 April 2023 https://www.ecb.europa.eu/press/key/date/2023/html/ecb.sp230417~9f8d34fbd6.en.html

the VIX index was as low as 13.7 – just above its level at the end of 2023. By mid-March 2020 it had risen to over 80.

Despite the causes for macro concerns, implied volatilities in key indices in the US and Europe are trading at unusually low levels, in some markets near to all-time lows, while the picture in Asia is more mixed.[17] The disconnect between implied volatility in equity indices and that observed in some other asset classes remains stark. In mid-March, the MOVE index, which tracks the implied volatility of US Treasuries, jumped to levels above those seen in Q1 2020. Even after retreating from those highs, it still trades at elevated levels relative to its historical average and relative to its historical relationship with equity volatility as represented by the VIX. We believe that current equity index volatility levels may offer an attractive entry point for relative value strategies such as those offered by the Group and also represent an ideal opportunity for investors who may not be fully sold on the bullish market stories to hedge their downside exposure. We are actively sharing this opportunity with clients and prospects in our conversations.

We believe that the current market backdrop is likely to lead more investors to consider diversifying options such as relative value volatility and directional hedges in volatility, such as those we offer through our customized solutions. While real bond yields have risen from their trough levels, we believe that there remains considerable uncertainty around bond returns. There is uncertainty around inflation and long-term neutral rates, government policies suggest persistent fiscal deficits and the sharp losses experienced in recent years are a reminder that bonds can be a volatile asset. We believe that this is likely to make investors reconsider a wider range of options, including volatility strategies.

One main detriment for equity volatility hedges in 2022 was the limited reactiveness of implied volatility to market declines (and at times, implied volatilities even declined amid market declines as happened in December 2022). We have some seen some signs of normalization in parts of 2023. We believe that in the next major move down in markets we are likely to see a return to the kind of historical behaviour where directional volatility hedges have been benefited. We also expect the return of this behaviour to help drive opportunities for our relative value volatility strategy. Overall, we believe that the volatility environment is likely to provide interesting opportunities ahead for investors, with equity index volatility having the potential for significant moves and dislocations. This leaves us optimistic on the outlook.

Of course, timing markets is difficult, and unusual valuations and behaviour can sometimes persist for longer than one expects. Our investment approach is principally absolute return, and we aim to profit in a range of market environments. Nevertheless, we believe that the current environment represents an opportunity for investors to consider their portfolio construction approach and long-term asset allocation. Alternative diversifiers including hedge funds and strategies such as volatility trading could be beneficiaries of this. Our relative value volatility strategy has historically generated positive long-term absolute returns with a negative correlation to equity markets. Additional strategies we have developed for customized solutions are also expected to have opportunities in environments of rising volatility and strongly negative equity returns, which could make them attractive diversifiers for existing and potential clients. Should we see a shift away from bonds and towards alternative diversifiers such as hedge funds and customized mandates, our products could be well placed to benefit from increased investor demand for this kind of exposure.

15. Sources: True Partner, Robert Shiller / Yale Economics Department

16. Based on data from True Partner, Bloomberg, FactSet Earnings Insight.

17. Sources: True Partner, Bloomberg. Long-term data uses data since 2006.

Frans Hals artwork in this report

Cover, page 19: Militia company of district XI under the command of captain Reynier Reael, known as 'The Meagre Company', Frans Hals, Pieter Codde, 1637
Dimensions: 209 x 429 cm
Rijksmuseum, Amsterdam – On loan from the City of Amsterdam

Cover, page 15: Portrait of a woman, circa 1635
Dimensions: 81.5 x 68 cm
Rijksmuseum, Amsterdam, the Netherlands
Credits: Gift of Jonkheer J.S.R. van de Poll, Arnhem

Cover, page 32: A Militiaman holding a Berkemeyer, known as the 'Merry Drinker', circa 1628 – 1630
Dimensions: 81 x 66.5 cm
Rijksmuseum, Amsterdam, the Netherlands

Cover, page 16: Portrait of a man, circa 1635
Dimensions: 79.5 x 66.5 cm
Rijksmuseum, Amsterdam, the Netherlands
Credits: Gift of Jonkheer J.S.R. van de Poll, Arnhem

Cover, page 26: Meeting of the officers of the Calivermen civic guard, 1633
Dimensions: 207 x 337 cm
Frans Hals Museum, Haarlem, the Netherlands

Cover, page 33: Portrait of Feyntje Steenkiste, 1635
Dimensions: 121.9 x 91.5 cm
Rijksmuseum, Amsterdam, the Netherlands
Credits: On loan from the City of Amsterdam

Cover, page 34: Regents of St Elisabeth's hospital, circa 1641
Dimensions: 153 x 252 cm
Frans Hals Museum, Haarlem, the Netherlands
Credits: Thanks to the Elisabeth van Thüringenfonds

Cover, page 25: Regentesses of the old men's alms house, circa 1664
Dimensions: 170.5 x 249.5 cm
Frans Hals Museum, Haarlem, the Netherlands

Page 11: Boy with a Lute, circa 1625
Dimensions: 72.1 x 59.1 cm
The Metropolitan Museum of Art, New York City, USA
Credits: Bequest of Benjamin Altman, 1913

Page 12: Portrait of Jacobus Hendricksz Zaffius, circa 1611
Dimensions: 54.5 x 41 cm
Frans Hals Museum, Haarlem, the Netherlands

Page 20: Young Man and a Woman in an Inn, 1623
Dimensions: 105.4 x 79.4 cm
The Metropolitan Museum of Art, New York City, USA
Credits: Bequest of Benjamin Altman, 1913

Page 23: Laughing boy , 1625
Dimensions: 30.45 cm diameter
Mauritshuis, The Hague, the Netherlands – Purchased with the support of the Rembrandt Association, the Prince Bernhard Culture Fund and the Friends of the Mauritshuis Foundation, 1968

Page 29: The Smoker, circa 1623-25
Dimensions: 46.7 x 49.5 cm
The Metropolitan Museum of Art, New York City, USA
Credits: Marquand Collection, Gift of Henry G. Marquand, 1889

Page 24: Two laughing Boys with a mug of beer, circa 1627
Dimensions: 69.5 x 58 cm
Hofje van mevrouw van Aerden, Leerdam

Frans Hals at the Rijksmuseum during the Spring of 2024

Largest retrospective exhibition ever

Following the successful solo exhibitions of Vermeer (2023) and Rembrandt (2019), the Rijksmuseum will host an extensive exhibition of some 50 of this Dutch Master's greatest works, out of an estimated 200 works which are thought to still be in existence. Among others, Frans Hals's most celebrated work, The Laughing Cavalier (1624) will return to The Netherlands for the first time in over 150 years.

This exhibition is a collaboration among various of Europe's most admired museums, including the National Gallery in London and Gemäldegalerie, Statliche Museen in Berlin as well as both the Frans Hals Museum in Haarlem and the Mauritshuis, in The Hague.

While both cities could historically be perceived as rivals, the short distance from Amsterdam and Haarlem allows visitors to capture a good impression of the city in which Frans Hals lived, worked and died.

The exhibition runs from February through June 2024.

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Work and Life of Frans Hals

Personal life and marriages

Frans Hals was born in 1582 in Antwerp in the Spanish Netherlands. At a young age, the Hals family moved to Haarlem in the Dutch Republic. At the time, Haarlem was known to be a cosmopolitan artistic center with several internally known artists. He joined the Haarlem painters' guild in 1610 and married around the same time. However, by the end of 1616 Hals' wife and two of their three children had died.

In February 1617, Hals married another woman who gave birth to a daughter nine days later. From this marriage, ten other children would follow. For most of his life, the painter rarely left the city of Haarlem, where he was respected and successful. However, having a large family Hals had struggled financially as generally few Dutch painters were well paid for their work. Hals died in Haarlem in 1666 and he is buried in the St. Bavokerk in the center of that city.

Early works and start of his career

The start of his career is estimated around the year 1600, when he reportedly studied with painter and writer Karel van Mander, who was over 30 years his elder. The earliest known works by Hals are formal portraits of around 1612 through 1614. At that time, he had served in the Saint George civic guard in Haarlem. The portrait of the guard's officers was the first group portrait that Hals has painted for various public institutions.

While several painters could deliver portraits, Hals intended to capture his subjects as the living, breathing spirited people they were in the most convincing manner possible. In his work, he applied rapid brushwork to create a degree of dynamism that at the time was unprecedented. Hals was able to depict people laughing or smiling, arguably one of the hardest feats for portraitists. His style allowed the subjects of his paintings to come to life, with strong individualized characters and convincing expressions. An example would be seen in *The Lute Player*, but also in *The Gypsy Girl* or *The Smoker*.

A master in his own time, forerunner of Impressionism

His technique earned Hals a reputation of an expert painter, equal to that of Rembrandt in the Netherlands or Velazquez in Spain. He was quite in demand among the wealthy citizenry of Haarlem and beyond. His clients included several burgomasters (mayors) as well as industrials among the local beer and clothing industries. Also in such more sober work, Hals was able to instill character into the subject of the portrait, for example the portrait of *Paulus Verschuur*).

Further to his expressive, dynamic brushwork Hals can arguably be described as the forerunner of impressionism. His style is said to have influenced various fellow artists including Edouard Manet, Claude Monet and Vincent van Gogh all of whom have visited Haarlem to admire his work.

Highly esteemed until his death

Frans Hals died in Haarlem in 1666. Notably, he had been receiving a city pension which was highly unusual and a sign of the esteem with which he was regarded.

Some biographies of Hals referenced that Hals encountered financial difficulties stemming from drinking and lack of discipline. However, this more seems to be an interpretation of the genre of his paintings than an actual observation of his life. Through his painting, Hals was able to shine a light on contemporary social customs and human comedy in general. If anything, movement and joy would be what characterizes Hals' work. And until today, his works solicit laughter and appreciation.

Financial review

Revenue

During the Reporting Period, revenue of the Group amounted to HK$13.3 million, representing a decrease of HK$31.5 million, or approximately 70% as compared with HK$44.8 million for the corresponding period of 2022. The decrease in revenue was primarily due to shifts in product mix over the period, which had the result of a decrease in the average revenue per unit of assets under management for the Reporting Period.

Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period was HK$11.7 million, representing a decrease of HK$29.7 million or 72% from HK$41.4 million for the corresponding period of 2022. The decrease was primarily driven by a decrease in the average revenue per unit of assets under management for the Reporting Period.

General and administrative expenses

General and administrative expense of the Group for the Reporting Period amounted to HK$78.3 million, representing an increase of HK$4.2 million or approximately 5.7% from HK$74.1 million over the corresponding period of 2022. The HK$4 million increase was the impairment loss of plant and equipment, right-of-use and intangible assets recognized in the Reporting Period. The Board believed that this was a prudent approach to take due to the less favourable than expected business environment. The other slightly increase in expenses was primarily due to an increase in staff cost was offset partially by the decreased cost in professional and marketing fee. The Group has reviewed its operations and mad adjustment where it was able to identify redundancies and opportunities for the efficiency gains during the third quarter of 2023. As a result, the Group has reduced its headcount by 34.48% and implement a series of cost reduction plan in its general and administrative expense. While expenses are subject to uncertainty and the influence of a range of factors, the Group expects to see some benefit from these adjustments over the following twelve months.

Share of results of associates

Share of results of associates represents operating losses arising from principal business activities of two associates - Capital True Partner Technology Co., Ltd. (“**CTPT**”) and Holland & Muh Investment Management Co., Ltd. (“**Holland & Muh**”). For the Reporting Period, share of loss of associates of the Group amounted to approximately HK$204,000, representing a decreased loss of

HK$458,000 or approximately decreased loss of 69% for the corresponding period of 2022. This was primarily due to the better business activity performance of the two associates impacted by more favourable market conditions. On 25 August 2023, CTPT was reclassified as assets held for sale accordingly, details of disposal of CTPT during the year ended 31 December 2023 are set out on pages 41-42 - Material disposal of an associated company of this annual report.

Finance costs

Finance costs mainly represent interest expense on lease liabilities. For the Reporting Period, finance cost of the Group amounted to approximately HK$122,000 representing a decrease of HK$60,000 or approximately decrease of 33% for the corresponding period of 2022. This was primarily due to rental interest expense.

Principal risks and uncertainties facing by the Group

The Directors are aware that the Group is exposed to various types of principal risks and uncertainties as discussed below.

Foreign exchange risk

The Group's income, direct cost, administrative expenses and investment are mainly denominated in HK$, US$, EUR, SGD, RMB and GBP. Fluctuations of the exchange rates of US$ relative to HK$ could affect the income and operating costs of the Group. Historically, such fluctuations have been very limited. The Linked Exchange Rate System ("**LERS**") has been implemented in Hong Kong since 17 October 1983. Through a rigorous, robust and transparent Currency Board system, the LERS ensures that the Hong Kong dollar exchange rate remains stable within a band of HK$7.75-7.85 to one US dollar. Fluctuations of the exchange rates of the US dollar, the Euro, the Singapore dollar and the British Pound could affect the operating costs of the Group, but not significantly so considering the size of the Group's operations in the Netherlands, Singapore and the UK. The RMB currency risk arises from deposit placed with broker in RMB accounts in relation to derivative transactions settled in RMB. The fluctuation of RMB is recognized in revenue – net gain on derivatives, but the amount is not significant.

The Group currently does not have a foreign currency hedging policy. However, the management will continue to monitor foreign exchange exposure and will take prudent measures to minimise the currency translation risk. The Group will consider hedging significant foreign currencies should the need arise.

Credit Risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the Directors closely monitor the overall level of credit exposure, and the management is responsible for the determination of credit approvals and monitoring the implementation of the debt collection procedure to ensure that follow-up action is taken to recover overdue debts.

Liquidity, current ratio, and capital structure

Fee income is the Group's main source of income, while other income sources include interest income generated from bank deposits. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation to update and mitigate the effects of fluctuations in cash flow. As at 31 December 2023, the Group's balance sheet and cash flow positions remained stable, with a net cash balance of HK$66 million. The current ratio (current assets divided by current liabilities) of the Group was 8.6 times. The Group had no corporate bank borrowings. The Group's net cash is more than its net debts, therefore, no gearing ratios are presented as at 31 December 2023.

Capital structure

As at 31 December 2023, the Group's shareholders' equity and total number of shares issued were HK$95.3 million and 400 million shares, respectively.

Charge on assets

As at 31 December 2023, the Group did not pledge any assets as collateral for overdrafts or other loan facilities.

Segment information

An analysis of the segment information for the Group is set out in note 5 to the consolidated financial statements.

Material disposal of an associated company

Disposal of 49% equity interest in CTPT

On 25 August 2023, a wholly owned subsidiary of the Company – True Partner China Holding Limited ("**TPChina**") entered into a disposal agreement, pursuant to which TPChina agreed to sell, and Capital International Technology Corp. ("**CIT**") agreed to purchase the disposal shares which represents 49% of equity interest in CTPT at the consideration of HK$615,947. The disposal shall take place on the date as agreed by TPChina and CIT after the parties have obtained all necessary permission, consent and/or approval required from Financial Supervisory Commission and the Ministry of Economic Affairs Investment Commission in Taiwan. For more information on the disposal, please refer to the Company's announcement dated on 25 August 2023.

The Board is of the opinion that in recent years, the Group's asset management activities have experienced significant growth and the Group has established its own IT department, as such the Board is of the view that ownership of a minority stake in a PRC IT consulting firm is no longer conductive to its long-term goal of further expansion of the Group's asset management activities. Furthermore, the disposal enables the Group to realise cash and thus unlock the value of this minority stake. The Board is of the opinion that the application of the proceeds from the disposal to the Group's working capital will be beneficial to the overall development of the Group.

CIT, the counterparty to the disposal mentioned above, is interested in 51% of the equity interest in CTPT. To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, except for the fact that CTPT is 51% owned by CIT and 49% owned by TPChina, CIT is an Independent Third Party. The Directors considered that the terms of the disposal of 49% equity interest in CTPT is fair and reasonable, and that it is on normal commercial terms or better, and in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

It is contemplated that approval letters are required to be obtained from the Financial Supervisory Commission ("**FSC**") and the Ministry of Economic Affairs Investment Commission in Taiwan. As at 31 December 2023, this transaction is not complete and pending for Taiwanese FSC's approval. CIT has been reclassified as assets held for sale accordingly.

The Company has complied with the disclosure requirements under Chapter 19 of the GEM Listing Rules.

Except for the above, the Group had no other material acquisition or disposal of subsidiaries and associated companies for the Reporting Period.

Future plan for material investments or capital assets

As at 31 December 2023, the Group had no specific plan for material investments or capital assets.

Contingent liabilities

As at 31 December 2023, the Group has no material contingent liabilities.

Dividends

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2023 (2022: Nil).

Annual General Meeting and Closure of Register of Members

The Annual General Meeting is scheduled to be held on Tuesday, 21 May 2024. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 16 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to attend and vote at the Annual General Meeting, unregistered holders of Shares should ensure that all Share transfer documents accompanied by the relevant share certificates must be lodged with the Share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 14 May 2024.

Human resources management

As at 31 December 2023, the Group had a total of 25 employees (2022: 33). Based on the Group's remuneration policy, the employees' remuneration is determined with reference to the experience and qualifications of the individual's performance.

The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs. The Group has also adopted a share option scheme to reward individual staff for their contribution to the Group.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Ralph Paul Johan VAN PUT ("Mr. van Put"),

aged 57, is the executive Director and chief executive officer of the Company. He is also a member of the Remuneration Committee and Nomination Committee of the Company. Mr. van Put joined the Group in May 2011 and is primarily in charge of the Group's overall business development and management. He was appointed as the chairman of the Board on 16 March 2020. He is a director of several major subsidiaries of the Company.

Mr. van Put has over 29 years of experience in finance and particularly in proprietary trading. Mr. van Put has comprehensive knowledge in investment fund and trading technology and extensive experience in entrepreneurship. He is responsible for overseeing overall business development and day-to-day operations of the Group. The following table summarises Mr. van Put's professional experience prior to joining the Group:

Name of company/institution	Principal business activities	Last position held	Responsibilities	Period of services
Sfiss Financial Technology B.V. ("**SFT**") commercially known as AtomPro (acquired by Saen Options Holding B.V. in June 2007)	Trading software	Founder and chief executive officer	Developed option trading and risk management software	March 1995 to June 2007
Saen Options Holding B.V. (acquired by All Options International B.V. in March 2009)	Proprietary trading	Chairman and chief executive officer	Oversaw the overall business operations and expansion	September 1999 to June 2009
Saen Options Holding Hong Kong Ltd.	Proprietary trading	Chief executive officer (Asia Pacific)	Oversaw the overall business operations and expansion of proprietary trading business in Asian market	June 2008 to March 2009
All Options Hong Kong Limited	Derivative trading	Chief executive officer	Oversaw the overall business operations and expansion of proprietary trading business in Asian market	April 2009 to March 2011

Prior to joining the Group, Mr. van Put founded and managed SFT, a technology company providing software and tools for market makers. Mr. van Put immersed himself into both technology and trading business by serving as a chief executive officer in both SFT and Saen Options. Leveraging his experience in developing option trading and risk management software in SFT and directing the expansion of proprietary trading business in Saen Options, he has led the development of the proprietary trading technology system for trading, execution, portfolio management and risk management purposes.

Mr. van Put has been an adjunct professor in the Department of Finance of the Chinese University of Hong Kong since April 2013 and an adjunct specialist professor in the Department of Finance of National Taiwan University from August 2012 to July 2016.

Mr. van Put obtained a bachelor's degree in Engineering from the School of Technology Inholland Alkmaar in the Netherlands in June 1991.

Mr. Godefriedus Jelte HEIJBOER (alias: Govert HEIJBOER) ("Mr. Heijboer"),

aged 48, is the executive Director and the co-chief investment officer of the Company. He is also a member of the Remuneration Committee and Nomination Committee of the Company. Mr. Heijboer joined the Group in May 2010 and is co-responsible for all trading and fund management and research activities of the Group. He is a director of various subsidiaries of the Company.

Mr. Heijboer has over 20 years of experience in the area of proprietary trading and quantitative research. Prior to joining the Group, from July 2003 to September 2008, Mr. Heijboer worked in Saen Options Holding B.V., a derivative trading company, as a researcher, trader and the head of derivatives trading. He was mainly responsible for derivative trading in the major European markets. From September 2008 to March 2009, Mr. Heijboer was the head of trading in Saen Options Hong Kong Ltd. where he was responsible for managing trading activities. From April 2009 to January 2010, Mr. Heijboer was a senior trader in All Options Hong Kong Limited after All Options International B.V. acquired Saen Options Hong Kong Ltd. He was responsible for the trading activities in the Hong Kong office of All Options International B.V. With his diversified experience and knowledge across different trading areas, Mr. Heijboer's versatility offered immense value to the Group.

Mr. Heijboer obtained a master's degree in Applied Physics from University of Twente in the Netherlands in August 1998. In May 2003, Mr. Heijboer obtained a doctorate in Management Science from University of Twente.

Mr. Tobias Benjamin HEKSTER ("Mr. Hekster"),

aged 50, is the executive Director and the co-chief investment officer of the Company. Mr. Hekster joined the Group in August 2011 and is co-responsible for all trading and fund management and research activities of the Group. He is a director of various subsidiaries of the Company.

Mr. Hekster has over 26 years of experience in the area of proprietary trading. Prior to joining the Group, Mr. Hekster worked for IMC, a large-scale proprietary trading firm and market maker, for an extended period of time. He was a market maker in IMC Trading BV from January 1998 to December 1999 and a special products trader in the same company from January 2000 to February 2004 where he was responsible for developing and trading arbitrage strategies. From March 2004 to December 2007, Mr. Hekster was a senior supervising trader in Holland Trading

House LLC (IMC Chicago), where he was involved in the development of an arbitrage strategy on a major American exchange-traded fund and managed its equity options trading operations. From February 2008 to February 2010, Mr. Hekster was a head of volatility arbitrage in IMC Asia Pacific Limited, one of the leading trading firms, where he was principally responsible for establishing a framework for high-frequency volatility arbitrage. In March 2010, Mr. Hekster founded and acted as a director of RVT Hong Kong Limited, a proprietary trading firm transacting equity index derivatives, where he developed trading strategy and infrastructure for dynamic volatility arbitrage between the main Hong Kong equity indices.

Mr. Hekster was an adjunct specialist professor in the department of finance in National Taiwan University from August 2014 to July 2016 and an adjunct associate professor in the department of finance in the Chinese University of Hong Kong from October 2014 to October 2017.

Mr. Hekster obtained a master's degree in Economics from University of Groningen in the Netherlands in November 1996.

Mr. Roy VAN BAKEL ("Mr. van Bakel"),

aged 46, is the executive Director and the chief technology officer of the Company. Mr. van Bakel joined the Group in May 2010 and is responsible for overseeing the information technology and development departments. He is also a director of various subsidiaries of the Company.

Mr. van Bakel has over 21 years of experience in the area of proprietary trading and technology development. Prior to joining the Group, Mr. van Bakel worked at Sfiss Financial Technology B.V., a company principally engaged in the development of trading software, as financial system developer from February 2002 to September 2006. Mr. van Bakel was a senior developer at Saen Options BV, a proprietary trading company, from October 2006 to May 2008 and worked as the head of software development and the chief technology officer of Saen Options Hong Kong Limited from June 2008 to March 2009. Mr. van Bakel became the senior developer of All Options Hong Kong Limited, a derivative trading company, from April 2009 to September 2009 after Saen Options Holding B.V. was acquired by All Options International B.V. in March 2009. Since October 2009, Mr. van Bakel has been the managing director of T8 Software Consulting, which became a wholly owned subsidiary of the Company on 19 May 2010.

Mr. van Bakel obtained his master's degree in Mathematical Sciences from the University of Twente in the Netherlands in February 2002.

Independent Non-executive Directors

Mr. Jeronimus Mattheus TIELMAN (alias: Jeroen TIELMAN) ("Mr. Tielman"),

aged 61, is an independent non-executive Director. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Tielman is responsible for supervising and providing independent advice to the Board. Mr. Tielman joined the Company in March 2020.

Mr. Tielman is the founder and managing partner in QStone Capital, a boutique established in March 2016 that develops investment opportunities in the global waste-water treatment market and assists selected water recycling technology firms with fine-tuning their strategy, growing their business in Europe and India and arranging different types of growth finance. Prior to founding QStone Capital, Mr. Tielman founded IMQubator funds and IMQ Investment Management B.V., an independent asset management company and institutional fund in January 2009. He worked as a chief executive officer in IMQ Investment Management B.V. where he designed and developed an incubator for international, hedge and private equity funds until December 2015.

Mr. Tielman worked in ABN AMRO from August 1986 to May 2000 where he last served as a senior vice president and global head product development of ABN AMRO Asset Management. He was responsible for the development of investment funds for institutional-private banking and the retail markets served by ABN AMRO Asset Management. In May 2000, Mr. Tielman founded FundPartners B.V., where he served as a chief executive officer and was responsible for overseeing its development of independent institutional investment products until December 2004 when FundPartners was acquired by NIB Capital. Mr. Tielman worked as a director of pension business development in NIB Capital from January 2005 to January 2006 where he was involved with the development of pension business. From February 2006 to February 2008, he joined Cordares, a pension asset manager, as a managing director of commerce, strategy and innovation where he was responsible for coordinating the launch of new pension plan products and the introduction of alternative investment strategies. From April 2008 to December 2008, Mr. Tielman co-initiated the establishment of an international pension investment collaboration network and prepared the founding of IMQubator.

Mr. Tielman obtained a master's degree in Business Administration from the Erasmus University Rotterdam in the Netherlands in May 1986. He is a registered investment analyst in the Netherlands.

Ms. Wan Ting PAI (alias: Jasmine Pai) ("Pai"),

aged 40, is an independent non-executive Director. She is also the chairwomen of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Ms. Pai is responsible for supervising and providing independent advice to the Board. Ms. Pai joined the Company in March 2020.

Ms. Pai has over 17 years of experience in the area of auditing and financial and corporate management. Ms. Pai started her career at PricewaterhouseCoopers Taiwan from September 2006 to June 2009, where she held multiple roles as an auditor in IPO projects for listings on the Taiwan Stock Exchange. Ms. Pai was responsible for risk assessment of clients' going concern postulate and compliance. Her training and experience have equipped Ms. Pai with adaptability to engage in a wide variety of industries, amid fast paced business environments, where accounting principles and financial principles were subject to continuous changes. From October 2010 to September 2012, Ms. Pai worked as a senior analyst and a manager of the operating audit and analysis division in Top Victory Electronics (Taiwan) Co., Ltd, a subsidiary of a previously listed electronics manufacturer on the Hong Kong Stock Exchange where she was responsible for reviewing group financial documents, conducting analysis and forecast. From October 2012 to May 2018, Ms. Pai joined Taiwan Mobile Co., Ltd., a listed company on the Taiwan Stock Exchange, as a senior financial analyst and financial controller where she was responsible for preparing and analysing financial reports of the subsidiaries. During her tenure with these listed companies, Ms. Pai led operational discussions across multiple regions and subsidiaries which prepared her as a manager and as a leader with the ability to build exceptional relationships within these firms, both between different locations as between different departments. In December 2018, Ms. Pai joined Molly & Hank Co., Ltd. (KidsAwesome Museum) as a financial and administrative controller where she was responsible for the overall accounting and audit and the regulatory alignment until May 2021 when she became a partner CPA of Soul of Integrity CPAs Firm. Ms. Pai is an independent non-executive director of Far East Bio Tec. Co., Ltd. (TWSE: C6886) since December 2022.

During her career, Ms. Pai has developed the necessary accounting and financial management expertise and accumulated a wealth in knowledge and experience in various crucial aspects of finance and accounting: preparing, reviewing and analysing audited financial statements, providing strategic management of the accounting and finance functions, directing accounting policies, procedures and internal controls, recommending improvements to safeguard the integrity of the Company's financial information, managing and overseeing the relationship with independent auditors, overseeing financial systems implementations and upgrades, identifying and managing business risks and insurance requirements.

Ms. Pai obtained a bachelor's degree in Business Administration from National Chengchi University in Taiwan in June 2006. She was admitted as a certified public accountant in Taiwan in 2012.

Mr. Ming Tak NGAI, (alias: Michael Ngai) ("Mr. Ngai"),

aged 56, is an independent non-executive Director. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Ngai is responsible for supervising and providing independent advice to the Board. Mr. Ngai joined the Company in March 2020.

Mr. Ngai is Chairman of The Red Group, Chairman of Asia GreenTech Fund, President of Green Economy Development Limited (HKSE: 1315). He has a wealth of experience in the international financial sector.

Mr. Ngai is also an external director of China COSCO Shipping Corporation, an independent non-executive director of CRRC Corporation Limited (HKSE: 1766, SHSE: 601766), an independent non-executive director of China Longyuan Power Group Corporation Limited (HKSE: 916, SZSE: 001289) and an independent nonexecutive director of Sanergy Group Limited (HKSE: 2459). Mr. Ngai was an independent non-executive director of Starlight Culture Entertainment Group Limited (HKSE: 1159) from 31 May 2017 to 20 September 2023.

Mr. Ngai is also a Member of the 12th, 13th and 14th National Committee of Chinese People's Political Consultative Conference ("CPPCC"); Chairman of the Hong Kong Finance Association; Fellow Commoner of Clare Hall, University of Cambridge; Council Member of The Hong Kong University of Science and Technology; Court Member of Hong Kong Metropolitan University; Honorary Fellow of Lingnan University; Honorary Citizen of Harbin City, Heilongjiang Province.

Mr. Ngai graduated from University of Cambridge.

Senior management

Mr. Robert KAVANAGH ("Mr. Kavanagh"),

aged 42, is the Head of Investment Solutions of the Group. Mr. Kavanagh joined the Group in December 2019 and has over 19 years of experience in the investment management industry, focused on hedge funds. Prior to joining the Group, he was an executive director at Goldman Sachs Asset Management, where he spent 15 years within the Alternative Investments & Manager Selection (AIMS) group and its predecessor group between July 2004 and November 2019. Mr. Kavanagh obtained a First Class (Honours) BSc in Philosophy and Politics from the University of Bristol in the UK in 2004. Mr. Kavanagh is also a CFA charter holder.

Mr. Thorsten GRAGERT ("Mr. Gragert"),

aged 48, is the head of research and development of the Group and is responsible for leading the development of trading technology. Mr. Gragert joined the Group in July 2018 and has 26 years of experience in the area of proprietary trading and software development. Prior to joining the Group, Mr. Gragert was the chief technology officer in Sfiss Financial Technology B.V., which was acquired by Saen Options Holdings B.V. in 2006, from October 1997 to September 2006. Acquiring Sfiss Financial Technology B.V., a technology company providing software and tools for market makers, Saen Options Holdings B.V. became a more competitive market maker by combining the technology expertise with trading expertise. Mr. Gragert was a master architect in All Options B.V. from April 2009 to May 2014 respectively. Mr. Gragert's experience in Sfiss Financial Technology B.V., a technology company providing software and tools for market makers and Saen Options, a market making company focusing on proprietary trading, enhanced his capability and knowledge across different aspects of trading. From June 2014 to July 2018, Mr. Gragert was a senior quantitative analyst of ING Group, where he was responsible for developing and maintaining a calculation engine. Mr. Gragert obtained a master's degree in Applied Mathematics from University of Twente in the Netherlands in December 1997.

Mr. Remco JANSSEN ("Mr. Janssen"),

aged 57, is the chief operating officer of the Group. Mr. Janssen is responsible for overseeing all operational aspects of the asset management activities. Mr. Janssen joined the Group in February 2012 and has 22 years of experience in software development. Prior to joining the Group, Mr. Janssen joined Generali Verzekeringsgroep NV as a software developer where he was responsible for the development of insurance policy management software from December 2001 to December 2002. Mr. Janssen was a senior developer in Sfiss Financial Technology B.V., Saen Options B.V. from December 2002 to September 2006 and from October 2006 to May 2009 respectively. From June 2009 to January 2012, Mr. Janssen joined All Options (Chengdu) Co., Ltd as a senior developer where he managed a team with regard to asset management and trading software development. Mr. Janssen obtained a bachelor's degree in Engineering from HAN University of Applied Sciences in the Netherlands in July 1988.

Mr. Edward Joseph DONNELLAN III ("Mr. Donnellan"),

aged 71, is the chief compliance officer of the Group who is responsible for regulatory and compliance matters. In January 2017, Mr. Donnellan was engaged by us as an independent compliance consultant on a part-time basis and subsequently joined the Group as chief compliance officer in July 2017. He has over 48 years of experience in the financial services profession. Prior to joining the Group, In September 1982, Mr. Donnellan joined Shatkin Trading Co. where he served in various capacities including being a director and vice president of its Chicago Mercantile Exchange office. Shatkin Trading Co. was acquired by LIT America, Inc and Mr. Donnellan was appointed as the senior vice president and general counsel from December 1987 to February 1990. In February 1990, Mr. Donnellan joined Sanwa Futures LLC, a global futures broker, as senior vice president and was appointed as president in March 1991.

He also served as executive vice president of its parent company, Sanwa Securities (USA) Co., L.P., a primary dealer in government securities. From April 1998 to July 1999, Mr. Donnellan was the president of Rock Island Company of Chicago, Illinois, a holding company of two broker-dealer operating companies. From April 2000 to July 2002, Mr. Donnellan was a principal and management consultant at Spectrum Synergetic Systems LLC. Mr. Donnellan joined TJM Brokerage, Inc, a broker-dealer, and in March 2004, he co-founded the affiliate of TJM Brokerage, Three Zero Three Capital Partners LLC, as the managing principal. From June 2012 to March 2014, Mr. Donnellan was a senior vice president and chief compliance officer of ADM Investor Services, Inc, a futures clearing broker. From April 2014 to June 2017, Mr. Donnellan was a managing director and chief compliance officer at Mocho Trading LLC, a proprietary trading firm.

Mr. Donnellan obtained a degree of Bachelor of Arts in Liberal Arts and Sciences from the University of Illinois in May 1975 and a juris doctor degree from the John Marshall Law School in the United States in January 1982. Mr. Donnellan was admitted as a lawyer by the Supreme Court of Illinois in May 1982 and is authorised to practice law in Illinois, the USA.

Mr. Hendrikus Jan KOPPE ("Mr. Koppe"),

aged 62, is the director of the Company's Dutch subsidiaries. Mr. Koppe joined the Group in January 2021 and has an extensive track record of senior executive operational management roles within financial industry. Mr. Koppe has a financial and legal background and very broad experience in the areas of cash and derivatives trading, clearing, business continuity & crisis management, marketing, sales and project management within an international business environment. From May 1987 to October 2002, Mr. Koppe started as a Trainee in NLKKAS (Dutch Commodity Clearing) and was promoted to director after the creation of Euronext to lead all clearing operations in Amsterdam as branch manager for Clearnet S.A. (Cash, Commodities and Equity derivatives). From October 2002 until September 2019, Mr. Koppe was a director in Euronext and was responsible for running the Euronext continental derivatives markets in Amsterdam, Paris, Brussels and Lisbon in index, equity, currency, commodity options & futures products. As the director of clearing services, Mr. Koppe was the leader for the strong development of OTC trading within the exchange, leading front and back offices, leading the introduction of derivatives protection legislation in the Netherlands, reintroduction of the daily gong-ceremony and the implementation of MIFID II transaction reporting services. Mr. Koppe was educated at the HES in Amsterdam and received a BSc in Business Administration and Economics.

Ms. Hsing Chuan YU ("Ms. Yu")

aged 37, is the global chief financial officer of the Group and is responsible for the overall financial management of the Group. Ms. Yu joined the Group in January 2021. Ms Yu has over 15 years of experience in auditing and financial and corporate management. After receiving her BSc degree in accounting at National Taiwan University, Ms. Yu started her career as an auditor at PricewaterhouseCoopers from September 2008 to October 2015. In October 2016, after working as a financial controller at a pharmaceutical firm she continued her career as the assistant internal audit manager of a Hong Kong listed company. Here she gathered extensive working experience with the Audit Committee of the Board of Directors and conducted operational and financial audit, Internal Controls and risk & compliance of business processes. From February 2020 to December 2020, she worked as a Senior Internal Auditor at a Euronext listed food processing machine manufacturer. Besides her BSc in accounting, Ms. Yu holds a MBA of the Rotterdam School of Management, Erasmus University in the Netherlands.

Ms. Kit Man WONG (alias: Doris Wong) ("Ms. Wong"),

aged 42, is the chief financial officer, Asian Pacific of the Group. Ms. Wong has over 20 years of experience in financial and accounting. From April 2003 to October 2003, Ms. Wong was an accounts clerk at International Credit Management Consultancy Limited, where she was mainly responsible for accounting and administration duty for business needs. From December 2003 to September 2011, Ms. Wong worked in Primasia Corporate Services Limited where she served as an accountant. Ms. Wong joined the Group since September 2011 as an accountant and was later promoted to finance manager and subsequently chief financial officer of APAC region to cooperate with global chief financial officer in the Group's financial administration. Ms. Wong obtained a bachelor's degree in Business from the University of Technology, Sydney in October 2003. Ms. Wong was admitted as a member of Association of Chartered Certified Accountants in March 2013.

Company secretary

Ms. Yuet Chew Grace SIOW ("Ms. Siow"),

aged 57, is the company secretary of the Company responsible for the corporate secretarial functions of the Group. She is currently the director of corporate services of Tricor-Alpha Corporate Secretarial Services Limited, a member of Tricor Group. Ms. Siow has been an associate member of The Chartered Governance Institute ("CGI") (formerly "The Institute of Chartered Secretaries and Administrators") and The Hong Kong Institute of Company Secretaries ("HKICS") since 9 May 1994 and 1 August 1994, respectively. Ms. Siow was also awarded the Chartered Governance Professional qualification of CGI and the HKICS on 30 September 2018.

Ms. Siow obtained a Master of Business Administration from the University of Stirling in the United Kingdom.

Corporate governance report

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to report to the shareholders of the Company (the "**Shareholders**") on the corporate governance of the Company for the year ended 31 December 2023.

Corporate governance culture and value

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately; and
- compliance and ethical standard are set up as the core of the Company; and
- that the Company acts in the best interest of its clients.

Corporate governance practices

The Board is committed to maintaining high standards of corporate governance. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board has adopted the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 (formerly known as Appendix 15) of the GEM Listing Rules. To the best knowledge of the Directors, the Group has complied with all the applicable code provisions of the CG Code during the year ended 31 December 2023, except for the deviation from code provision C.2.1 of the CG Code, which is explained in the relevant paragraph of this report.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the CG Code and align with the latest developments.

Directors' securities transactions

The Company has adopted a code of conduct regarding Directors' dealings in the Company's securities (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Special enquiry has been made to all the Directors and each of the Directors gave confirmation that he/she was in compliance with the Code of Conduct during the year ended 31 December 2023.

The Company has also established compliance written guidelines (the "**Compliance Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who, because of such office or employment, are likely to possess inside information in relation to the Company or its securities. No incident of non–compliance of the Compliance Written Guidelines by the employees was noted by the Company.

Board of Directors

The Company is headed by an effective Board which assumes responsibility for its leadership and control and be collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors takes decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises seven Directors, consisting of four executive Directors, namely Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster and Mr. Roy van Bakel and three independent non-executive Directors, namely Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai. Mr. Ralph Paul Johan van Put is the Chairman.

Each of the Directors' respective biographical details is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report. Save as disclosed in the aforesaid section, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executives.

Chairman and Chief Executive

Code provision C.2.1 as set out in Appendix C1 to the GEM Listing Rules stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Ralph Paul Johan van Put currently holds the positions of the chairman of the Board and the chief executive officer of the Company. Mr. Ralph Paul Johan van Put has been the key leadership figure of the Group who has been primarily involved in the strategic development and determination of the overall direction of the Group. He has also been directly supervising the senior management of the Group. Taking into account of the above, the Directors consider that the vesting of the roles of chairman and chief executive officer in Mr. Ralph Paul Johan van Put provides a strong leadership to the Group and is beneficial and in the interests of the Company and its Shareholders as a whole. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Independent non-executive Directors

During the year ended 31 December 2023, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors namely Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai fulfill the independence guidelines set out in the GEM Listing Rules.

Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism 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 annual review on its independence. The Board Independence Evaluation Report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2023, all Directors have completed the independence evaluation individually. The Board Independence Evaluation Report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2023, the Board reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and the results were satisfactory.

Appointment and Re-election of Directors

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years and such letter of appointment may be terminated by either party giving at least one month's notice in writing. Also, the independent non-executive Directors are subject to re-election on retirement by rotation at the annual general meeting in accordance with the Articles of Association of the Company.

All the Directors are subject to retirement by rotation and re-election at the annual general meetings. Under the Articles of Association of the Company, at each annual general meeting, one–third of the Directors for the time being, or if their number is not three of a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as addition to the Board shall hold office until the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

Responsibilities, Accountabilities and Contributions of the Directors and Management

The Board is entrusted with the overall responsibility for promoting the success of the Company by providing effective leadership and direction to its business; and ensuring transparency and accountability of its operations. The Board is responsible for all decision-making in respect of all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control systems, risk management systems, material transactions (in particular those may involve conflict of interests), financial information, change of Directors, ad hoc projects and other significant financial and operational matters. The Board has the full support of the management of the Group to discharge its responsibilities.

The day-to-day management, administration and operation of the Company are currently delegated to the executive Directors by the Board and the senior management of the Group. The delegated functions and work tasks are periodically reviewed.

Approval has to be obtained from the Board prior to any significant transactions. All Directors have full and timely access to all relevant information of the Company, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each Director is able to seek independent advice in appropriate circumstances at the Company's expense, upon making request to the Board.

In addition, the Board has also delegated various responsibilities to the board committees of the Company. Further details of the board committees of the Company are set out below in this report.

The Company has arranged appropriate liability insurance coverage for all the Directors and officers of the Group, including company securities, employment practices, regulatory crisis event, investigation, litigation, tax liabilities and public relation, etc., which is reviewed by the Board on a regular basis.

Continuous professional development of the Directors

Pursuant to code provision C.1.4 of CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills as to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director receives comprehensive, formal and tailored induction at time around the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the Group structure, Board and Board committee meetings procedures, business, management and operations of the

Group, etc. and that he/she is fully aware of his/her responsibilities and obligations under the GEM Listing Rules and applicable regulatory requirements.

Besides, the Company keeps circulating information and materials to develop and update Directors' knowledge and skills as and when appropriate. All the information and materials are relevant to the Group's business, the economy, corporate governance, rules and regulations, accounting, financial or professional skills and/or directors' duties and responsibilities.

There are also arrangements in place for providing continuing briefing and professional development to each Director. All Directors are encouraged to attend relevant training courses at the Company's expense.

The individual training record of each Director received during the year ended 31 December 2023 is set out below:

Name of Directors	Attending training sessions on Directors' responsibilities and other related issues	Reading relevant materials on Directors' continuous responsibilities, corporate governance and other related issues
Executive Directors		
Mr. Ralph Paul Johan van Put	✓	✓
Mr. Godefriedus Jelte Heijboer	✓	✓
Mr. Tobias Benjamin Hekster	✓	✓
Mr. Roy van Bakel	✓	✓
Independent non-executive Directors		
Mr. Jeronimus Mattheus Tielman	✓	✓
Ms. Wan Ting Pai	✓	✓
Mr. Ming Tak Ngai	✓	✓

Board meetings

Regular Board meetings should be held at least four times a year at approximately quarterly intervals involving active participation, either in person or through electronic means of communication, of a majority of Directors. Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board meetings, reasonable notice is generally given.

Agenda and accompanying Board papers in respect of regular Board meetings are sent out in full to all Directors within reasonable time before the meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are given opportunities to include matters in the agenda for Board and committee meetings. The Board and each Director also have separate and independent access to the senior management where necessary.

After the meeting, draft minutes are circulated to all Directors for comments. Minutes of Board meetings and committees' meeting are kept by the company secretary and are available for inspection by the Directors at all times.

Attendance records of Directors

The attendance records of each Director at the Board, Board committee and general meetings of the Company held during the year ended 31 December 2023 are set out in the table below:

	Attendance/Number of meetings				
Name of Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Executive Directors					
Mr. Ralph Paul Johan van Put	5/5	4/4	1/1	2/2	1/1
Mr. Godefriedus Jelte Heijboer	5/5	4/4	1/1	2/2	1/1
Mr. Tobias Benjamin Hekster	5/5	N/A	N/A	N/A	1/1
Mr. Roy van Bakel	5/5	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Jeronimus Mattheus Tielman	5/5	4/4	1/1	2/2	1/1
Ms. Wan Ting Pai	5/5	4/4	1/1	2/2	1/1
Mr. Ming Tak Ngai	5/5	4/4	1/1	2/2	1/1

The chairman of the Board also held two meetings with the independent non-executive Directors without the presence of other Directors during the year.

The independent non-executive Directors have attended general meetings of the Company to gain and develop a balanced understanding of the view of the Shareholders.

Board committees

To facilitate the work of the Board, the Board has established three Board committees to oversee specific aspects of the Group's affairs, namely the audit committee, remuneration committee and nomination committee. Each Board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee is available on the websites of the Company and the Stock Exchange.

Each Board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent profession advice in appropriate circumstances at the Group's expense.

Audit Committee

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and D.3.3 and D.3.7 of the CG Code. The primary duties of the Audit Committee mainly include (i) making recommendations to the

Board on the appointment and removal of external auditors; (ii) reviewing and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control procedures; (iv) supervising internal control and risk management systems of the Group; (v) monitoring continuing connected transactions (if any); and (vi) reviewing arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee currently consists of three members, all three independent non-executive Directors, namely Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai. Ms. Wan Ting Pai, who possesses the appropriate professional qualifications as required under Rule 5.05(2) of the GEM Listing Rules, is the chairwoman of the Audit Committee.

The Audit Committee held four meetings to review, in respect of the year ended 31 December 2023, the quarterly, interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems, appointment of external auditors and engagement of non-audit services and relevant scope of works and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors once without the presence of the executive Directors.

Remuneration Committee

The Company established a remuneration committee (the "**Remuneration Committee**") with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and E.1.2 of the CG Code. The primary duties of the Remuneration Committee include (i) reviewing and making recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; (ii) reviewing other remuneration-related matters, including benefits-in-kind and other compensation payable to the Directors and senior management; and (iii) reviewing performance–based remunerations and establishing a formal and transparent procedure for developing policy in relation to remuneration to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee currently consists of two executive Directors, namely Mr. Ralph Paul Johan van Put and Mr. Godefriedus Jelte Heijboer and three independent non-executive Directors, namely Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai. Ms. Wan Ting Pai is the chairwoman of the Remuneration Committee. Details of the remuneration of Directors are set out in note 9 to the consolidated financial statements.

During the year ended 31 December 2023, the Remuneration Committee held two meetings to review the policy and the structure for the remuneration of all Directors and senior management and make recommendations to the Board on the remuneration packages of the Directors and senior management.

Pursuant to the code provision E.1.5 of the CG Code, the remuneration of the senior management (excluding executive Directors), whose biographical details are included in section headed "Biographical Details of Directors and Senior Management" of this annual report by band for the year ended 31 December 2023 is set out below:

Remuneration Band	Number of Individuals
Nil to HK$1,000,000	3
HK$1,000,001 to HK$3,000,000	4
HK$3,000,001 to HK$5,000,000	4

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the experience, responsibility, workload and the contribution of each Executive Director. The remuneration for the executive Directors comprises basic salary and allowances, pensions and discretionary bonus. The remuneration policy for independent non-executive Directors is to ensure that independent non–executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Independent non-executive Directors shall not receive options to be granted under the Company's share option scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Group established a nomination committee (the "**Nomination Committee**") with written terms of reference in compliance with B.3.1 of the CG Code. The primary duties of the Nomination Committee mainly include, (i) reviewing the structure, size and composition of the Board annually; (ii) developing and formulating relevant procedures for the nomination and appointment of Directors (iii) assessing the independence of the independent non– executive Directors; (iv) making recommendations to the Board on the appointment and succession planning of Directors; (v) reviewing the Board diversity policy (the "**Board Diversity Policy**") and Director nomination policy (the "**Director Nomination Policy**"); and (vi) identifying individuals suitably qualified to become Board members and making recommendations to the Board to fill vacancies.

The Nomination Committee currently consists of two executive Directors, namely Mr. Ralph Paul Johan van Put and Mr. Godefriedus Jelte Heijboer and three independent non-executive Directors, namely Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai. Ms. Wan Ting Pai is the chairwoman of the Nomination Committee.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

During the year ended 31 December 2023, the Nomination Committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for re-election at the forthcoming annual general meeting of the Company, to review the Board Diversity Policy and Director Nomination Policy. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Director Nomination Policy

The Board has adopted a Director nomination procedure (the "**Director Nomination Procedure**") which sets out the selection criteria, nomination process and Board succession planning considerations for identifying and recommending candidates for election to the Board in order to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process set out in the Director Nomination Policy is as follows:

Appointment of new Director

(i) The Nomination Committee and the Board may select candidates for directorship from various channels, including but not limited to internal promotion, shareholder's proposal, re-designation, referral by other member of the management and external recruitment agents.

(ii) The Nomination Committee and the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(iii) If the process yields one or more desirable candidates, the Nomination Committee and the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

(v) If a shareholder of the Company wishes to propose a person (the "**Candidate**") for election as a Director of the Company at the general meeting, he/she shall deposit a written notice (the "**Notice**") at the Company's head office and principal place of business in Hong Kong. The Notice (i) must include the personal information of the Candidate as required by Rule 17.50(2) of the GEM Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information.

(vi) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at general meeting

(i) The Nomination Committee and the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

(ii) The Nomination Committee and the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

(iii) The Nomination Committee and the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re–elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

Pursuant to the Director Nomination Policy, when making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

(a) reputation for integrity;

(b) accomplishment, experience and reputation in the relevant industry and other relevant sectors;

(c) commitment in respect of sufficient time, interest and attention to the Company's business;

(d) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;

(e) the ability to assist and support management and make significant contributions to the Company's success;

(f) compliance with the criteria of independence as prescribed under Rule 5.09 of the GEM Listing Rules for the appointment of an independent non-executive Director; and

(g) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

During the year ended 31 December 2023, the Directors re-elected were subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Board Diversity Policy

The Board has adopted the Board Diversity Policy which sets out the approach to achieve diversity of the Board and is available on the website of the Company. Pursuant to the Board Diversity Policy, the Nomination Committee reviews regularly the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Company considers diversity of Board members to be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- At least one of members of the Board shall be female.
- At least one-third of the members of the Board shall be independent non-executive Directors.
- At least one of the members of the Board shall have obtained accounting or other professional qualifications.
- At least one of the members of the Board shall have China-related work experience.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender	Male	6
	Female	1
Age Group	31-40	1
	41-50	3
	51-60	2
	61-70	1
Designation	Executive Directors	4
	Non-executive Directors	0
	Independent Non-executive Directors	3
Educational Background	Doctorate in Management Science	1
	Economics and Business Administration	2
	Account and Finance	1
	Engineering	1
	Mathematical Sciences	1
	Other	1
Nationality	Dutch	5
	Chinese	2
Business Experience	Experience Related to the Company's Business	6
	Accounting & Finance	1

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee shall review the policy and measurable objective at least annually, and as appropriate, to ensure the continued effectiveness of the Board.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this annual report:

	Female	Male
Board	14%	86%
Senior management	29%	71%
Other employees	50%	50%
Overall workforce	36%	64%

The Board had targeted to achieve and had achieved at least one female Director and considers that the above current gender diversity is satisfactory.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 84 to 119 of this annual report.

Risk Committee

The Company established a risk committee (the "**Risk Committee**") on 19 December 2019. The primary duties of the Risk Committee are to identify the risk, quantify and assess the potential impact brought by the risk, evaluate and report risk; consider any mitigating factors; report the risk and direct timely action to manage those risks to which the Group and its clients are exposed.

As at 31 December 2023, the Risk Committee comprises Mr. Hendrikus Jan Koppe, Mr. Thorsten Gragert, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster, Mr. Robert Kavanagh and Mr. Remco Janssen. The Risk Committee is chaired by Mr. Hendrikus Jan Koppe.

The Risk Committee meets on an annual basis to assess policies and any risk occurrences, and meets when facts and circumstances warrant. During the year ended 31 December 2023, the Risk Committee held two meetings. In the meetings, the members reviewed, discussed and/or approved the issues and policy related to:

a. the Group's risk management policy and Internal Control Assessment;
b. regular assessments on major risks;
c. investment, operation, counterparty, market and liquidity risk management;
d. environmental, social and governance ("**ESG**") risks and mitigation with the updated Group ESG Policy; and
e. IT security and updated Business Continuity and Disaster Recovery Plan ("**BCP**").

Risk management and internal control

The Board has overall responsibility for maintaining effective and proper risk management and internal control systems and reviewing their effectiveness. Such systems are designed to identify, evaluate and manage risk exposures that may affect the efficiency and effectiveness of the Group's operations and provide reasonable assurance but not absolute assurance against material misstatement, rather than to eliminate the risk of failure to achieve business objectives, safeguard assets against unauthorised use or disposition and ensure proper maintenance of books and records for the provision of reliable financial information for public or internal use.

The management is primarily in charge of designing, implementing and monitoring the risk management and internal control systems. The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is willing to take in achieving its strategic objectives, and overseeing the management in the design, implementation and monitoring of the risk management and internal control systems.

The Group has engaged external independent professional for providing the internal audit function and performing independent review of the adequacy and effectiveness of the internal control systems annually, including reviewing guidelines and policies which are implemented throughout our operation, and risk management practices with an aim to, among other matters, improve our Group's corporate governance. The external independent professional is also responsible for providing its findings and any recommendations, in respect of enhancing the Group's systems as appropriate, to the Audit Committee. Based on the findings and comments by the external independent professional and the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

In terms of management of credit risk, the Board has adopted credit risk management policies and procedures by monitoring the implementation of the debt collection procedure to ensure that follow-up action is taken to recover overdue debts. In terms of management of liquidity risk, the Board has adopted liquidity risk management policies and procedures by monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance our operations and mitigate the effects of fluctuations in cash flows.

The Group has established internal control procedures which provide the Board and employees with guidelines on assessing, reporting and disseminating inside information. In addition, inside information is disseminated to relevant personnel on a need-to-know basis, and the Group will review the existing policy and practice from time to time to ensure full compliance with the regulatory requirements.

The Group has no internal audit function currently. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit functions for the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit function.

The Company has in place the Whistleblowing Policy and system for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the Chief Compliance Officer, who is responsible for investigating the reported incidents and taking appropriate measures. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organises anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the year ended 31 December 2023, the Company held one anti-corruption training to all employees. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

Corporate governance functions

The Board is responsible for performing the corporate governance duties as set out in the code provision A.2.1 of the CG Code.

During the year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of Rules 5.48 to 5.67 of GEM Listing Rules on Securities Transaction, Code of Conduct, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Directors' responsibility for the consolidated financial statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group and ensure that the consolidated financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the financial statements are published in a timely manner in accordance with the applicable laws and regulations.

The Directors have prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently except the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report as annexed to this annual report.

Auditor's remuneration

During the year ended 31 December 2023, the total fees paid/payable in respect of audit services and non-audit services provided by the Company's external auditor, PKF Hong Kong Limited, are set out below:

Nature of service	Fees Paid/Payable HK$'000
Audit Services	1,137
Tax and other consulting services	305
	1,442

Company secretary

Ms. Siow Grace Yuet Chew of Tricor Services Limited, which is an external service provider, has been engaged by the Company as its company secretary. The primary contact person at the Company is Mr. Godefriedus Jelte Heijboer, our Executive Director.

During the year ended 31 December 2023, Ms. Siow has confirmed that she has taken no less than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

The biographical information of Ms. Siow is set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Dividend Policy

The Company has adopted a Dividend Policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the Dividend Policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval. Such details have been disclosed in the section headed "Director's Report" in this annual report.

Shareholders' rights

Convening of extraordinary general meeting and putting forward proposals

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

Putting forward enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

The Shareholders may at any time send their enquiries and concerns to the Board in writing. The contact details are as follows:

Address: Suite 2902-03, 29/F, The Gateway Tower 2, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (For the attention of the Board of Directors)

Website: https://www.truepartnercapital.com/contact

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Investor relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business, performance and strategies. The Board strives to maintain on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The general meetings of the Company provide a forum for communication between the Board and the Shareholders. Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) the quarterly report; (d) a notice of meeting; (e) a listing document; (f) a circular; and (g) a proxy form. The Corporate Communication of the Company will be published on its website (www.truepartnercapital.com) and the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Corporate Communications.

For those Shareholders who wish to receive a printed version of all future Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of request in writing by the Shareholder to the Company's branch share registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to truepartner-ecom@hk.tricorglobal.com, send future Corporate Communications and/or the relevant Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

(b) Announcements and other documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.truepartnercapital.com) immediately thereafter.

(d) Shareholders' meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' enquiries

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Tricor Investor Services Limited, via its online holding enquiry service at http://www.tricoris.com, or send email to is-enquiries@hk.tricorglobal.com or call its hotline at 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) Investment market communications

Investor/analysts briefings and one-on-one meetings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be available on a regular basis on the Company's website in order to facilitate communication between the Company, Shareholders and the investment community.

(g) Shareholders' Privacy

The Company recognises the importance of Shareholders' privacy and will not disclose Shareholders' information without their consent, unless required by law to do so.

Constitutional documents

During the year ended 31 December 2023, the Company has amended its Memorandum and Articles of Association. Details of the amendments are set out in the circular dated 29 March 2023 to the Shareholders. An up-to-date version of the Company's Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

Directors' report

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

Principal activities

The Company is an investment holding company. The Group is principally engaged in fund management business and providing consultancy services. The activities of its principal subsidiaries of the Company are set out in note 34 to the consolidated financial statements.

Business review

The business review of the Group for the year ended 31 December 2023 is set out in the sections headed "Chairman's Letter" and "Management Discussion and Analysis" of this annual report.

The Group complies with the requirements under the Companies Ordinance, the GEM Listing Rules and the SFO for the disclosure of information and corporate governance.

Results and dividends

The results of the Group for the year ended 31 December 2023 are set out in the consolidated statement of profit or loss and other comprehensive income on page 125 of this annual report.

No interim dividend was paid during the year ended 31 December 2023. The Board has resolved not to recommend payment of any final dividend for the year ended 31 December 2023. (2022: Nil)

Financial summary

A summary of the published results and assets and liabilities of the Group for the last four financial years, as extracted from the audited financial statements, is set out on page 184 in this annual report. This summary does not form part of the consolidated financial statements.

Revenue and segment information

The revenue and segment information for the year ended 31 December 2023 are set out in note 5 to the consolidated financial statements.

Plant and equipment

Details of movements in the plant and equipment of the Group during the year ended 31 December 2023 are set out in note 14 to the consolidated financial statements.

Major customers and suppliers

During the year ended 31 December 2023, revenue derived from the Group's five largest customers accounted for approximately 100% (2022: 94.4%) of the Group's total sales and the largest customer included therein amounted to approximately 54.7% (2022: 35.5%).

During the year ended 31 December 2023, purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

None of the Directors, or any of their associates or any Shareholders which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers.

Share capital and share options schemes

Details of the Company's share capital and share option schemes are set out in notes 25 and 24 to the consolidated financial statements respectively.

Share option schemes

Pre-IPO Share Option Scheme

The Company has conditionally adopted a Pre-IPO Share Option Scheme pursuant to the written resolutions of all shareholders passed on 13 February 2020 which all options were granted on 14 February 2020, prior to the Listing Date (the "**Pre-IPO Share Option Scheme**"). Details of the Pre-IPO Share Option Scheme are set out in note 24 to the consolidated financial statements.

The Pre-IPO Share Option Scheme is valid and effective for only a period of 2 years commencing on the date that the Company is listed on the Stock Exchange (the "**Listing Date**") and thus has expired on 16 April 2023. 7,947,488 share options has lapsed during the year ended 31 December 2023.

Share Option Scheme

The Company has also conditionally adopted a share option scheme (the "**Share Option Scheme**") pursuant to the written resolutions of all shareholders passed on 22 September 2020. The conditions of which have been fulfilled. The Share Option Scheme shall be valid and effective for the period of ten years commencing on 22 September 2020, being the date on which the Share Option Scheme was adopted. As at the date of this report, there is remaining life of over 6 years of the Share Option Scheme. Since the date of adoption to 31 December 2023, no share option was granted, exercised, outstanding, cancelled or lapsed under the Share Option Scheme.

The purpose of the Share Option Scheme

The Share Option Scheme is a share incentive scheme and is established to enable the Company to grant options to the Eligible Participants (as defined below) as incentives or rewards for their contribution to the Group.

The participants of the Share Option Scheme

Under the Share Option Scheme, the Board may, at its discretion, make an offer to any person belonging to the following classes of participants (the "**Eligible Participants**") share options to subscribe for shares of the Company:

(i) any employee or proposed employee (whether full time or part time, including any executive director), consultants or advisers of or to the Company, any subsidiary or any entity (the "**Invested Entity**") in which any member of the Group holds any equity interest;
(ii) any non-executive Director (including independent non-executive Directors) of the Company, any subsidiary or any Invested Entity;
(iii) any supplier of goods or services to any member of the Group or any Invested Entity;
(iv) any customer of any member of our Group or any Invested Entity;
(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; and
(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity; for the purposes of the Share Option Scheme, the offer may be made to any company wholly owned by one or more Eligible Participants.

The total number of Shares available for issue under the Share Option Scheme

The total number of shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue at the time dealings in the shares first commence on the Stock Exchange, i.e. 40,000,000 Shares (i.e. 10% of the total shares in issue at the date of this annual report).

The maximum entitlement of each participant under the Share Option Scheme

Subject to certain circumstances relating to the grant of options to a substantial shareholder, an independent non-executive director or any of their respective associates, the total number of Shares issued which may fall to be issued upon exercise of the options and the options granted under any other share option scheme of our Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a grantee under the Share Option Scheme would result in the Shares allotted and issued and to be allotted and issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of the Group in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such grantee and his close associates (or his associates if such grantee is a connected person (as defined in the GEM Listing Rules) abstaining from voting.

The period within which the Shares must be taken up under an option

The period during which a share option may be exercised will be determined by the Board at its absolute discretion, save that no share option may be exercised more than 10 years after it has been granted under the Share Option Scheme.

The minimum period for which an option must be held before it can be exercised

Unless otherwise determined by our Directors and stated in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

The amount, if any, payable on application or acceptance of option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

An offer shall have been accepted by an Eligible Participant with a remittance in favour of the Company of HK$1 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

The basis of determining the exercise price

The subscription price in respect of any option shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

(a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;
(b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and
(c) the nominal value of the Share.

No share option has been granted under the Share Option Scheme since its adoption. Accordingly, as at the date of this annual report, there was no share option outstanding under the Share Option Scheme.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's articles of association although there are no restrictions against such rights under the Companies Law in the Cayman Islands.

Related party transactions and connected transactions

Details of the significant related party and connected transactions entered into by the Group during the year ended 31 December

2023 are set out in note 28 to the consolidated financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under the GEM Listing Rules.

Distributable Reserves

As at 31 December 2023, the Company has no distributable reserves for distribution to shareholders of the Company.

Directors

The Directors during the year ended 31 December 2023 and up to the date of this annual report are as follows:

Executive Directors
Mr. Ralph Paul Johan van Put
(Chairman and Chief Executive Officer)
Mr. Godefriedus Jelte Heijboer
Mr. Tobias Benjamin Hekster
Mr. Roy van Bakel

Independent Non-executive Directors
Mr. Jeronimus Matteus Tielman
Ms. Wan Ting Pai
Mr. Ming Tak Ngai

Pursuant to article 108 of the articles of association of the Company, Mr. Tobias Benjamin Hekster, Mr. Roy van Bakel and Mr. Jeronimus Matteus Tielman shall retire from office as Directors by rotation at the annual general meeting and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' and senior management's biographies

Biographical details of the Directors and senior management of the Group are set out in the section of "Biographical Details of the Directors and Senior Management" of this annual report.

Independence confirmation

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

Directors' service contracts

Each of the executive Directors currently in office has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date and shall continue unless terminated by not less than three months' notice in writing or by payment in lieu of notice served by either party on the other. None of the Directors has a service contract with the Company that is not determinable within one year without payment of compensation (other than statutory compensation).

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing on 16 March 2020 and may be terminated by not less than one month's notice in writing served by either party on the other.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the articles of association of the Company.

Interests in competing business

None of the Directors or the substantial Shareholders (as defined in the GEM Listing Rules) of the Company (the "**Substantial Shareholders**") or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2023 and up to the date of this annual report.

Emolument policy

The emoluments of the Directors are prepared by the Remuneration Committee and then reviewed by the Board, having regard to the Group's operating results, individual performance and comparable market statistics.

All the emolument of Directors has been reviewed and ratified by the Remuneration Committee.

Details of the emoluments of the Directors and the remuneration band are set out in note 9 to the consolidated financial statements of this annual report.

The Group has adopted share option schemes as an incentive to eligible employees. Details of the share option scheme of the Group are set out in note 24 to the consolidated financial statements.

Emoluments of Directors and five highest paid individuals

The Directors' fees and remuneration and the emoluments of the five highest-paid individuals are disclosed in notes 9 and note 10 to the consolidated financial statements. The emoluments of the Directors are determined with regard to their duties and responsibilities, the Company's performance, prevailing market conditions and after considering the market emoluments for directors of other listed companies.

Retirement benefit schemes

The Group makes contributions to defined contribution retirement benefit schemes for its employees in the United States, the United Kingdom and Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the respective schemes.

Directors' material interests in transactions, arrangements or contracts of significance

Save as those disclosed in note 28 to the consolidated financial statements, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's or any of its subsidiaries was a party, and in which a Director or its connected entities had a material interest (whether directly or indirectly) subsisting at the end of the year or at any time during the year ended 31 December 2023 under Chapter 20 of the GEM Listing Rules.

Management contracts

During the year ended 31 December 2023, the Company did not enter into or have any management and administration contracts in respect of the whole or any principal business of the Company.

Directors' rights to acquire shares and debentures

At no time during the Reporting Period and up to the date of this report was the Company, its subsidiaries, its fellow subsidiaries or its holding companies a party to any arrangement which would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations

As at 31 December 2023, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Positions in the Shares

Name of Director/ Chief Executives	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Tobias Benjamin Hekster	Beneficial owner	59,049,018	14.76%
Godefriedus Jelte Heijboer	Beneficial owner	56,055,644	14.01%
Ralph Paul Johan van Put[(1)]	Interest in a controlled corporation	58,337,399	14.58%
Roy van Bakel	Beneficial owner	27,686,280	6.92%

Notes:

(1) The Shares were held by True Partner Participation Limited. True Partner Participation Limited is wholly owned by Mr. Ralph Paul Johan van Put. Mr. Ralph Paul Johan van Put is deemed to be interested in all the Shares held by True Partner Participation Limited under the SFO.

Save as disclosed above, as at 31 December 2023, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under Section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial shareholders' interests and short positions in the shares, underlying shares or debentures of the Company

So far as is known to the Directors, as at 31 December 2023, the following persons/entities (other than Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long Positions in the Shares

Name of shareholders	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Franca Kurpershoek-Hekster [(1)]	Interest of spouse	59,049,018	14.76%
Wong Rosa Maria [(2)]	Interest of spouse	56,055,644	14.01%
True Partner Participation Limited	Beneficial owner	58,337,399	14.58%
Kung Yun Ching [(3)]	Interest of spouse	58,337,399	14.58%
True Partner International Limited[(4)]	Beneficial owner	62,336,908	15.58%
DSS Financial Management, Inc. [(4)]	Interest in a controlled corporation	62,336,908	15.58%
DSS Securities, Inc. [(4)]	Interest in a controlled corporation	62,336,908	15.58%
DSS, Inc. [(4)]	Interest in a controlled corporation	62,336,908	15.58%
Chan Heng Fai Ambrose [(4)] [(5)]	Interest in a controlled corporation and Beneficial owner	76,832,908	19.20%
Chan Kong Yoke Keow [(5)]	Interest of spouse	76,832,908	19.20%
Edo Bordoni	Beneficial owner	29,839,153	7.46%
Anne Joy Bordoni [(6)]	Interest of spouse	29,839,153	7.46%
Maria Victoria Diaz Basilio [(7)]	Interest of spouse	27,686,280	6.92%

Long Positions in the Shares (cont'd)

Name of shareholders	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Nardinc Beheer B.V.	Beneficial owner	36,196,000	9.04%
SomethingEls B.V. (8)	Interest in a controlled corporation	36,196,000	9.04%
ERMA B.V. (8)	Interest in a controlled corporation	36,196,000	9.04%
Dasym Managed Accounts B.V. (8)	Investment manager	36,196,000	9.04%
F. J. Botman Holding B.V. (8)	Interest in a controlled corporation	36,196,000	9.04%
Franciscus Johannes Botman (8)	Interest in a controlled corporation	36,196,000	9.04%

Notes:

(1) Mrs. Franca Kurpershoek-Hekster is the spouse of Mr. Tobias Benjamin Hekster, an executive Director, and Mr. Tobias Benjamin Hekster holds 14.76% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Franca Kurpershoek-Hekster is deemed to be interested in the same number of Shares in which Mr. Tobias Benjamin Hekster is deemed to be interested in under the SFO.

(2) Mrs. Wong Rosa Maria is the spouse of Mr. Godefriedus Jelte Heijboer, an executive Director, and Mr. Godefriedus Jelte Heijboer holds 14.01% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Wong Rosa Maria is deemed to be interested in the same number of Shares in which Mr. Godefriedus Jelte Heijboer is deemed to be interested in under the SFO.

(3) Mrs. Kung Yun Ching is the spouse of Mr. Ralph Paul Johan van Put, the chairman and executive Director and True Partner Participation Limited is wholly owned by Mr. Ralph Paul Johan van Put. True Partner Participation Limited holds 14.58% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Kung Yun Ching is deemed to be interested in the same number of Shares in which Mr. Ralph Paul Johan van Put and True Partner Participation Limited are deemed to be interested in under the SFO.

(4) True Partner International Limited is a wholly owned subsidiary of DSS Financial Management, Inc. DSS Financial Management, Inc. is wholly owned by DSS Securities, Inc., which is wholly owned by DSS, Inc. DSS, Inc. is 58.79% owned by Mr. Chan Heng Fai Ambrose. True Partner International Limited holds 15.58% in True Partner Capital Holding Limited. By virtue of the SFO, Mr. Chan Heng Fai Ambrose is deemed to be interested in the Shares held by True Partner International Limited under the SFO.

(5) Alset International Limited is 85.35% held by Alset Business Development Pte Ltd. Alset Business Development Pte Ltd. is wholly owned by Alset Global Pte Ltd, which is wholly owned by Alset, Inc. Alset, Inc. is 53.52% owned by Mr. Chan Heng Fai Ambrose. Alset International Limited holds 1.59% in True Partner Capital Holding Limited. By virtue of the SFO, Mr. Chan Heng Fai Ambrose is deemed to be interested in the Shares held by Alset International Limited under the SFO. In addition, Mr. Chan Heng Fai Ambrose beneficially holds 2.03% in True Partner Capital Holding Limited and has deemed interest in

15.58% in True Partner Capital Holding Limited per note (4) above. Mrs. Chan Kong Yoke Keow is the spouse of Mr. Chan Heng Fai Ambrose and is deemed to be interested in the same number of Shares in which Mr. Chan Heng Fai Ambrose is deemed to be interested in under the SFO.

(6) Mrs. Anne Joy Bordoni is the spouse of Mr. Edo Bordoni and Mr. Edo Bordoni holds 7.46% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Anne Joy Bordoni is deemed to be interested in the same number of Shares in which Mr. Edo Bordoni is deemed to be interested in under the SFO.

(7) Mrs. Maria Victoria Diaz Basilio is the spouse of Mr. Roy van Bakel, an executive Director, and Mr. Roy van Bakel holds 6.92% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Maria Victoria Diaz Basilio is deemed to be interested in the same number of Shares in which Mr. Roy van Bakel is deemed to be interested in under the SFO.

(8) Each of SomethingEls B.V. and ERMA B.V. holds 50% interest in Nardinc Beheer B.V. By virtue of the SFO, SomethingEls B.V. and ERMA B.V. are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO. Dasym Managed Accounts B.V., as investment manager, is 90.1% owned by F.J. Botman Holding B.V. which in turn is wholly owned by Mr. Franciscus Johannes Botman. By virtue of the SFO, Dasym Managed Accounts B.V., F.J. Botman Holding B.V. and Mr. Franciscus Johannes Botman are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO.

Save as disclosed above the Directors were not aware of any other persons/entities (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Equity-linked agreements

Save as disclosed above, no equity-linked agreements were entered into by the Company during the year end 31 December 2023 or subsisted at the end of the year.

Sufficiency of public float

As at the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained sufficient prescribed minimum number of the issued Shares in public hands as required under the GEM Listing Rules.

Purchase, sale or redemption of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023 and up to date of this report.

Corporate governance code

Details of the principle corporate governance practices as adopted by the Company are set out in the section headed "Corporate Governance Report" of this annual report.

Relationships with employees, customers and suppliers

The Group maintains a good relationship with its employees, and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers and suppliers.

Environmental policies and performance

The Group is committed to operate in compliance with the applicable environmental laws as well as protecting the environment by minimising the negative impact of the Group's existing business activities on the environment. To the best knowledge of the Directors, the Group has complied with all relevant laws and regulations regarding environmental protection for the year ended 31 December 2023. Details of disclosures on risk management and environmental policies are set out in the "Corporate governance report" and the "Environmental, social and governance report" of this annual report.

Compliance with the relevant laws and regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Board reviews and monitors the Group's policies and practices on compliance with legal and regulatory requirements on a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

During the year ended 31 December 2023 and up to the date of this annual report, to the best of the Company's knowledge, information and belief, having made all reasonable enquiries, the Group is not aware of any non-compliance in any material respect with the relevant laws and regulations that have a significant impact on the business and operation of the Group for the year ended 31 December 2023.

Dividend policy

The Company has adopted a dividend policy, pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its Shareholders. The dividend payout ratio shall be determined or recommended, as appropriate, by the Board at its absolute discretion after taking into account the Company's financial results, future prospects and other factors, and subject to:

- the Articles of Association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- any banking or other funding covenants by which the Company is bound from time to time;
- the investment and operating requirements of the Company; and
- any other factors that have material impact on the Company.

Donations for charitable or other purpose

Donations for charitable or other purpose such as sponsorship in community activities of approximately HK$136,000 were made by the Group during the year ended 31 December 2023 (2022: HK$492,000).

Permitted indemnity provision

Pursuant to the articles of association of the Company, the Directors and officers shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty; provided that this indemnity shall not extend to any matter in respect of any own fraud or dishonesty which may attach to any of the Directors and officers.

The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group. A permitted indemnity provision (as defined in the Companies Ordinance) for the benefit of the Directors of the Company was in force during the year ended 31 December 2023 and is in force as at the date of this report.

Deed of non-competition

Each of Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster, Mr. Edo Bordoni, Mr. Roy van Bakel, Mr. Chan Heng Fai Ambrose, True Partner Participation Limited, Red Seven Investment Ltd and True Partner International Limited (together, the "**Covenanters**") has confirmed to the Company of their respective due compliance with the non-competition undertakings provided to the Company under a deed of non-competition (the "**Deed of Non-Competition**") entered into between the Covenanters and the Company dated 22 September 2020 during the period from the Listing Date and up to the date of this report.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non–Competition have been complied with by the Covenanters during the period from the Listing Date and up to the date of this report.

Audit Committee

The Audit Committee has reviewed the audited consolidated financial statements for the year ended 31 December 2023 and is of the opinion that these statements had complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and that adequate disclosures had been made.

Auditor

The consolidated financial statements for the year ended 31 December 2023 have been audited by PKF Hong Kong Limited, who retire and, being eligible, offer themselves for re-appointment. A resolution to re-appoint PKF Hong Kong Limited as auditor of the Company will be submitted at the forthcoming annual general meeting of the Company. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the auditor.

On behalf of the Board

Ralph Paul Johan van Put
Chairman and Chief Executive Officer

Hong Kong, 26 March 2024

Environmental, Social and Governance Report

Chairman's Statement

Dear valued stakeholders,

The board of directors of the Company (the "**Board**") is committed to driving sustainable development in True Partner Capital Holding Limited (the "**Company**") and its subsidiaries (individually or collectively referred to as the "**Group**"). The Board has the overall responsibility for the Group's environmental, social and governance ("**ESG**") strategy and reporting, while both the members of the Board and senior management supervise the ESG issues of the Group. The Board continuously monitors and reviews the key risks affecting the sustainability of the Group's business, such as the environmental, occupational health and safety and labour standards. The risk management and internal control frameworks provide a structured approach for the Board to formulate policies and ensure effective execution. More information about the Group's governance structure is stated in the headed "**Governance for Sustainability**".

The Group strives to create values for its shareholders. Therefore, the Group continuously communicates with its stakeholders to understand their concerns and fulfil their expectations. Their opinions helped the Group understand its ESG performance, assess the importance of different ESG-related issues and prioritise them. With reference to the stakeholders' opinions, the Board reviews the Group's sustainability strategies at least annually and, where appropriate, adjusts the Group's policies to live up to stakeholders' expectations while meeting the requirements of regulators.

Since the financial year ended 31 December 2021 ("**FY2021**"), the Group has set various ESG-related targets on relevant key performance indicators ("**KPIs**"). The Board believes the ESG-related targets can raise employees' awareness of ESG, drive behavioural changes and facilitate the incorporation of ESG initiatives into the Group's operational strategy. With the assistance of the Environmental, Social and Governance Working Group ("**ESG Working Group**"), the Board at least once per year reviews the Group's ESG performance to follow up the progress made on the Group's ESG-related targets. The Board makes full use of the available ESG data to compare the performance between different years. Aiming to achieve the targets, the Group strives to actively incorporate sustainability into its daily operations.

On behalf of the Board, I would like to express my gratitude to my fellow directors, the management team, all employees and stakeholders for their contributions to the Group's sustainable development.

Ralph Paul Johan van Put
Chairman and Chief Executive Officer
Hong Kong, 26 March 2024

Introduction

The Company is a limited liability company incorporated in the Cayman Islands. The principal activity of the Company is investment holding. The Group is a Hong Kong and United States (the "**US**") based asset management group with a focus on global volatility trading in liquid markets. The Group is principally engaged in fund management business and providing consultancy services.

This Environmental, Social and Governance Report (the "**ESG Report**") reflects the Group's active fulfilment of its ESG responsibilities to achieve sustainable development and its responses to stakeholders' concerns.

Reporting Scope

This ESG Report covers all the Group's business activities at the offices in Hong Kong, the Netherlands, Singapore, the United Kingdom ("**UK**") and the US, where the Group's business operations are mainly carried out. The relevant environmental indicators will be reported for the Group's Hong Kong headquarters and, where applicable, for its offices in the Netherlands, Singapore, the UK and the US. The social indicators will be reported for the Group's offices within the reporting scope.

The scope of the ESG Report was determined by considering the ESG significance of the Group's activities and the influence of the activities on the Group's operations. The Group believes the reported areas collectively present a comprehensive picture of the Group's overall ESG performance.

Reporting Framework

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**SEHK**"), with four reporting principles including materiality, quantitative, balance and consistency. A complete index is appended to the last chapter hereof for easy reference in accordance with the ESG Reporting Guide.

Reporting Principles

According to the ESG Reporting Guide, the following reporting principles were applied in the ESG Report:

Materiality
The Group regularly conducts materiality assessments to identify the material environmental and social issues to the Group's business. By gathering the feedback of various stakeholder groups, the Group can have a better understanding of their concerns and expectations of the Group's sustainable development. For further details, please refer to the sections headed "**Stakeholder Engagement**" and "**Materiality Assessment**".

Quantitative
To evaluate the effectiveness of ESG-related policies, the Group has adopted the SEHK's ESG Reporting Guide, relevant guidelines published by SEHK and other international organisations, in measuring and presenting quantitative environmental and social information.

Details of the standards used are described in the relevant sections of the ESG Report.

Balance
The ESG Report provides an unbiased picture of the Group's ESG performance.

Consistency
The ESG Report adheres to a consistent set of reporting standards, methodologies for calculating data and presentation of KPIs to allow meaningful comparisons of related data over time and that with the past years, including the financial year ended 31 December 2022 ("**FY2022**").

Reporting Period

The ESG Report presents the Group's ESG performance for the financial year ended 31 December 2023 ("**FY2023**").

Governance for Sustainability

The Group has established the ESG Working Group to promote the employees' awareness of ESG issues. The ESG Working Group is comprised of senior management and general staff with adequate knowledge of ESG, its members span across different business departments, including the operational, compliance, human resources and finance departments. They are responsible for executing the Group's ESG measures, collecting and analysing ESG data, preparing ESG reports, giving suggestions to the Board on ESG issues and reviewing ESG-related matters across the Group's different departments. Where appropriate, external advisors would be engaged to provide expertise and professional advice for the ESG management process.

With the assistance of the ESG Working Group, the Board regularly reviews the materiality of the Group's ESG issues and continuously monitors the Group's ESG performance, risks and opportunities. The members of the ESG Working Group have meetings at least once per year to discuss the effectiveness of the Group's policies and procedures and seek opportunities to improve the Group's ESG performance. The ESG Working Group reports its findings to the Board annually so that the Board can look for solutions to manage the Group's ESG risks and opportunities.

Feedback

The Group values feedback from its stakeholders. If you have any questions or suggestions regarding the ESG Report or the Group's performance in sustainable development, please feel free to contact the Group through its communication channels as shown on the Company's website at http://www.truepartnercapital.com/contact.

Stakeholder Engagement

The Group seeks to understand the expectations and concerns of all its stakeholders and the impact of its business on its stakeholders. Therefore, the Group engages with its key stakeholders to identify sustainability issues and potential risks. Key stakeholders include but are not limited to banks and other financial institutions, shareholders, investors and clients, government and other regulatory authorities, employees, and suppliers and vendors.

The Group has made an assessment of stakeholders' expectations. The Group seeks to engage with stakeholders through diversified engagement methods. A summary is included below:

Stakeholders	Engagement Methods
Banks and other financial institutions	• Written or electronic correspondences • Reports and announcements • On-site visits
The Board and the Group's senior management	• Client reports • Company website • Announcements and circulars • Internal meetings
Shareholders, investors and clients	• General meetings and other shareholder meetings • Financial reports • Announcements and circulars • Company website • Monthly investor's report
Government and other regulatory authorities	• Written or electronic correspondences • Visits and inspections
Employees	• Training activities, seminars, and briefing • General meetings • Emails
Suppliers and vendors	• Business meetings • Site visits

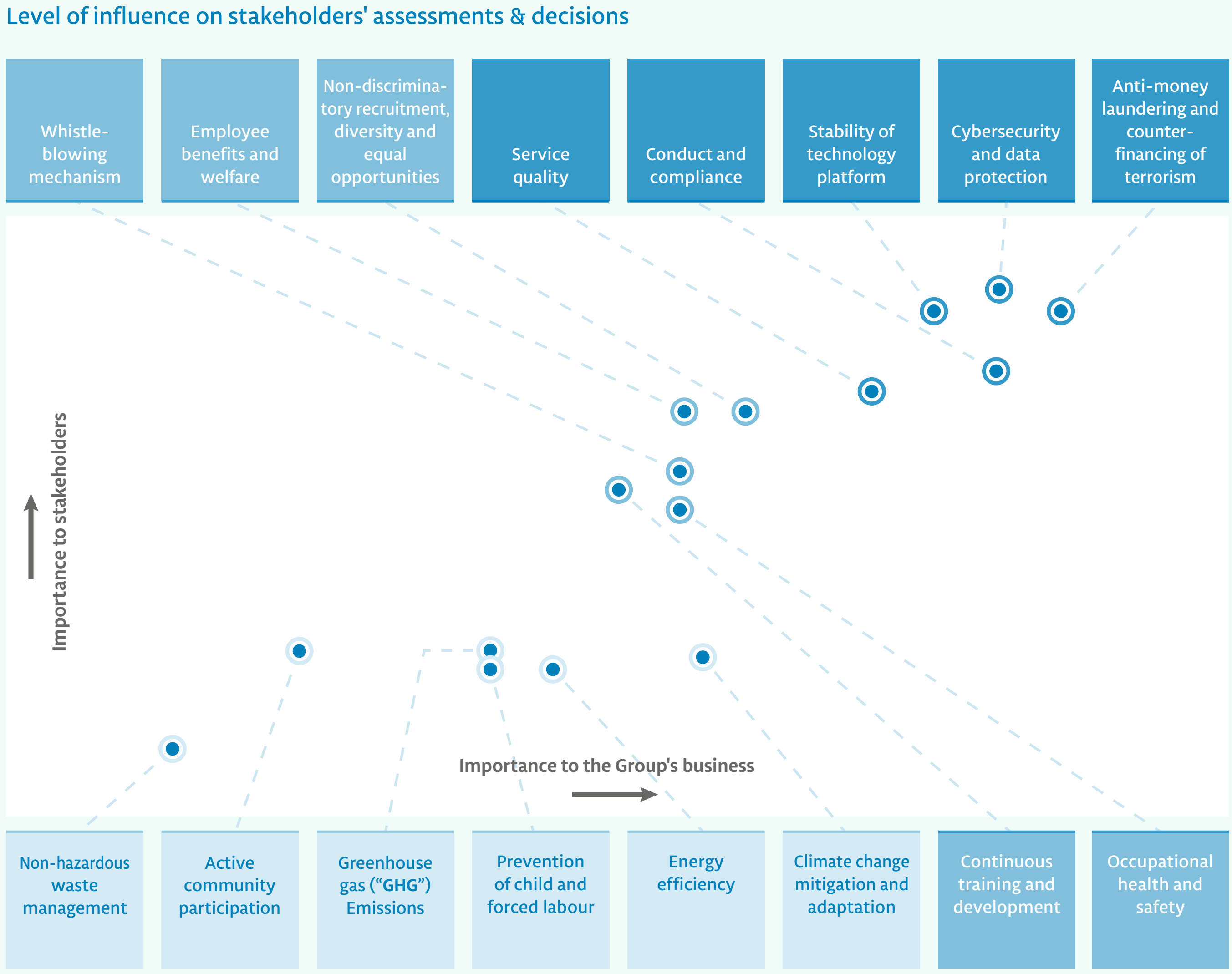
The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through an effective communication channel. In the long run, the stakeholders' contribution will aid the Group in improving ESG performance and ensuring the continued success of the Group's business.

Materiality Assessment

The Board and the ESG Working Group have participated in reviewing the Group's operations and identifying material ESG topics and assessing the relative importance of the ESG topics to its business and stakeholders. During FY2023, as there is no material change in the Group's business operation, the materiality matrix from the materiality assessment in FY2022 will be applied to FY2023.

The Group's material ESG topics according to their relative importance are shown below:

ESG Materiality matrix



The Group has identified that the relevant criteria could be grouped into three broad categories. Firstly, those that were regarded as being of higher significance to the Group and having a higher influence on stakeholders' assessments and decisions. These included compliance and technology/cybersecurity-related matters, such as conduct and compliance, AML and counter-financing of terrorism, cybersecurity and data protection and the stability of the technology platform which have direct implication on the Group's quality of services to its funds and managed accounts. A second category was of slightly lower significance and influence, including matters relating to employee benefits, training, recruitment, whistleblowing mechanism and occupational health and safety. A third category was regarded as of lower significance and influence, including areas such as non-hazardous waste management and GHG emissions. The Group believes all the areas highlighted are relevant categories to consider, and that the perceived significance and influence of certain categories in part reflects the nature of the Group's business relative to other companies listed on the SEHK. For example, technology stability and cybersecurity are naturally the main focus given the Group's extensive use of proprietary technology. At the same time, a technology-focused investment management business tends to naturally have lower waste production and energy usage than some other types of business such as manufacturing or natural resource extraction.

A. Environmental

A1. Emissions

The Group is committed to playing its part in shouldering the global responsibility to tackle climate change. To achieve this goal, the Group actively manages its operational footprint by ensuring compliance with the applicable laws and regulations of respective jurisdictions and by implementing the Environmental, Social and Governance Policy (the "**ESG Policy**") and related conservation measures. The ESG Policy is formulated based on the United Nations Principles of Responsible Investment.

The Group seeks to provide its clients with superior risk-adjusted investment returns and client service. As an asset manager, the Group acts as a fiduciary on behalf of our clients and seeks to develop long-term partnerships to help its clients achieve their investment goals. As fiduciaries, the Group believes that ESG issues can affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. Therefore, the Group seeks to incorporate material ESG topics into its daily operations and investment analysis as part of its robust investment process and seeks to be a responsible corporate citizen in the communities in which the Group operates and to be mindful of its overall environmental footprint.

At the investment level, the ESG Policy is reviewed annually as part of the Risk Committee's annual policy review. At the firm level, the ESG Policy is reviewed annually by the Board. The Group's ESG Policy is also available on our website.

During FY2023, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group relating to air and GHG gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. The relevant laws and regulations include, but are not limited to, the Air Pollution Control Ordinance of Hong Kong, the Waste Disposal Ordinance of Hong Kong, the Federal Clean Air Act of the US, the Federal Clean Water Act of the US, the Environmental Management Act of the Netherlands, the Clean Neighbourhoods and Environment Act 2005 of the UK, the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 and the Environmental Protection and Management Act of Singapore.

The following table sets out the relevant key topics, the Group's defined targets and the status of the targets:

GHG Emission

Defined Targets	Status
Reduce the Group's other indirect (Scope 3) GHG emissions intensity (in tonnes CO_2e/billion US$ asset under management) by at least 20% by the financial year ending 31 December 2025 ("**FY2025**"), using approximately 41.49 tonnes CO2e/billion US$ asset under management in the financial year ended 31 December 2019 ("**FY2019**") as the baseline.	In progress, the Group's other indirect (Scope 3) GHG emissions intensity (in tonnes CO_2e/billion US$ asset under management) in FY2023 was approximately 45.11 tonnes CO_2e/billion US$ asset under management, which was approximately 8% higher than the level in FY2019. The Group will continue to strive to reduce its other indirect (Scope 3) GHG emissions intensity.
Organise activities from FY2022 onwards to strengthen employees' awareness of environmental stewardship.	Participated in Earth Hour 2023 to raise awareness about energy conservation by turning off non-essential lights for one hour.

Waste management

Defined Targets	Status
Reduce the Group's non-hazardous waste intensity (in tonnes/billion US$ asset under management) by at least 10% by FY2025, using approximately 0.12 tonnes/billion US$ asset under management in the financial year ended 31 December 2020 ("**FY2020**") as the baseline.	In progress, the Group's non-hazardous waste intensity in FY2023 was approximately 0.16 tonnes/billion US$ asset under management, which was approximately 33% higher than the level in FY2020. The Group will continue to strive to reduce its non-hazardous waste intensity.
Provide notices to inform staff on the reduce, reuse and recycle principle in FY2023.	The notices of reduce, reuse and recycle principle were promoted and implemented in daily operations.

Air Pollutant Emissions
As an investment holding company, the Group does not involve any manufacturing activities or construction projects. Moreover, the Group does not own any vehicles. Therefore, the Group does not have a material impact on air pollutant emissions.

GHG Emissions
The GHG emissions of the Group were mostly generated from purchased electricity, paper waste disposal at landfills and business air travel.

Scope 1 – Direct GHG Emissions
During FY2023, the Group did not own any vehicles or involve in any manufacturing activities. Therefore, the Group considers the direct GHG emissions generated by the Group in FY2023 to be immaterial.

Scope 2 – Energy Indirect GHG Emissions
The Group has implemented energy-saving measures, which will be mentioned in the section headed "**Energy Efficiency**".

Scope 3 – Other Indirect GHG Emissions
Office paper waste disposal and business air travel contributed to other indirect GHG emissions. Noting that air travel generates a large amount of GHG emissions, the Group only utilises air travel when deemed necessary; the Group usually communicates via teleconferences and web conferences.

The GHG emissions performance of the Group are as follows:

Indicators[1]	Units	FY2023	FY2022
Direct (Scope 1) GHG emissions	tonnes CO_2e	–	–
Energy indirect (Scope 2)[2] GHG emissions	tonnes CO_2e	11.63	11.53
Other indirect (Scope 3) GHG emissions	tonnes CO_2e	40.15	36.26
Paper waste disposal	tonnes CO_2e	0.69	0.64
Business air travel	tonnes CO_2e	39.46	35.62
Total GHG emissions	**tonnes CO_2e**	**51.78**	**47.79**
Total GHG emissions intensity[3]	**tonnes CO_2e/million HK$ revenue**	**3.89**	**1.07**
	tonnes CO_2e/billion US$ asset under management	**58.18**	**30.63**

Notes:

1. GHG emissions data are presented in terms of carbon dioxide equivalent and are calculated with reference to "**The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards**" issued by the World Resources Institute and the World Business Council for Sustainable Development, "**How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs**" issued by SEHK, the "**Global Warming Potential Values**" from the IPCC Fifth Assessment Report, 2014 (AR5) and the "**2022 Sustainability Report**" published by the CLP Holdings Limited.
2. Figures only include Hong Kong office. Electricity usage in the Netherlands, Singapore, the UK and US offices were included in the tenancy agreement, related data are hence not available.
3. The calculation of intensity by million HK$ revenue is based on the core revenue of the Group, which was approximately HK$13.3 million during FY2023. (FY2022: HK$44.8 million) The calculation of intensity by billion US$ asset under management is based on the asset under the Group's management, which was approximately US$0.89 billion as of 13 December 2023. (as of 13 December 2022: US$1.56 billion) These figures are also the basis for waste and energy intensity calculations.

In FY2023, the Group's total GHG emissions intensity was approximately 58.18 tonnes CO_2e/billion US$ asset under management (FY2022: approximately 30.63 tonnes CO_2e/billion US$ asset under management). The increase in the total GHG emissions intensity was mainly due to the decrease in the Group's asset under management and the increase in business air travels after the travel restrictions have been relaxed in Asia.

In response to the growing concerns about climate change, the Group will continue to pursue its defined target of reducing its other indirect (Scope 3) GHG emissions intensity (in tonnes CO_2e/billion US$ asset under management) by at least 20% by FY2025, using approximately 41.49 tonnes CO_2e/billion US$ asset under management in FY2019 as the baseline. The Group has also set target to organise activities to strengthen employee's awareness of environmental stewardship in the financial year ending 31 December 2024 ("**FY2024**"). To pursue the GHG emissions reduction target, the Group actively promotes the use of videoconferencing to reduce the number of face-to-face meetings and thus the carbon footprint arising from air travel. For more information about the measures taken by the Group to pursue the GHG emissions reduction target, please refer to the energy-saving measures mentioned in section headed "**Energy Efficiency**".

Sewage Discharges into Water and Land

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged; used water is discharged to the municipal sewage network to the regional water treatment plant.

Waste Management

Hazardous Waste Management

As an investment holding company, the Group's business operations do not involve the use of hazardous materials, there was no significant hazardous waste generated in FY2023.

Non-hazardous Waste Management

Non-hazardous wastes generated were mainly office paper. The Group makes a great effort to raise the awareness of its employees of the importance of reducing the amount of waste produced. In various operating sites, the Group follows the recycling policy of the property management company in its offices to separate waste at the source.

The non-hazardous waste discharge performance of the Group is as follows:

Indicators	Units	FY2023	FY2022
Total non-hazardous waste • Office paper	tonnes	0.14	0.13
Total non-hazardous waste intensity	tonnes/million HK$ revenue	0.0105	0.0029
	tonnes/billion US$ asset under management	0.16	0.08

In FY2023, the Group's total non-hazardous waste intensity was approximately 0.16 tonnes/billion US$ asset under management (FY2022: approximately 0.08 tonnes/billion US$ asset under management), representing an increase of approximately 100% year-on-year. The increase in total non-hazardous waste intensity was due to the decrease in the Group's assets under management and more printed marketing materials in FY2023 as the Group attended several international seminars and summits to promote the fund business.

To reinforce the Group's commitment to reduce waste, the Group will continue to pursue its defined target of reducing its non-hazardous waste intensity (tonnes/billion US$ asset under management) by at least 10% by FY2025, using approximately 0.12 tonnes/billion US$ asset under management in FY2020 as the baseline. In addition, the Group has set a target of providing notices to inform staff on the reduce, reuse and recycle principle in FY2024. To pursue the waste reduction target, the Group has adopted the following environmentally friendly measures:

- reuse single-sided waste paper where possible;
- reduce the use of single-use disposable items;
- separate recyclable waste from wastes to be disposed of in the landfill;
- recycle or donate office and electronic equipment after their life cycle; and
- print electronic correspondences only when necessary.

Wastewater Management

The Group does not consume a significant amount of water in its business operations, and therefore its business activities did not discharge a material volume of pollutants into water or land during FY2023. Since the Group discharges wastewater into the municipal sewage pipeline network for processing, the amount of water consumption of the Group represents the wastewater discharge volume. The majority of the water supply and discharge facilities are provided and managed by the property management company.

A2. Use of Resources

The Group aims to minimise its environmental impacts by following its ESG Policy to identify and impose measures to avoid excessive consumption and ensure efficient use of finite resources. The Group takes practical steps where appropriate to reduce energy and water consumption.

The following table sets out the relevant key topic, the Group's defined targets and the status of the targets:

Key Topic	Defined Targets	Status
Energy Efficiency	Raise employees' energy-saving awareness by participating in energy-saving campaigns such as the Earth Hour lights-out campaign from FY2022 onwards.	Participated in Earth Hour 2023 to raise awareness about energy conservation by turning off non-essential lights for one hour.
	Provide notes via email to inform staff on energy-saving practices in FY2023.	The notices of energy-saving practice principle were promoted and implemented in daily operations.

Energy Efficiency

Electricity was the principal energy source used by the Group in the rented offices. The Group takes the initiative to introduce environmentally-friendly measures to reduce the environmental impact arising from its business operations.

To further the Group's commitment to the conservation of finite resources, the Group seeks to select rented offices where the landlord or management company gives due regard to mitigating environmental and social impact and provides premises that incorporate environmentally friendly features. The Group also takes into account the location of the offices and the proximity to investors and service providers to minimise unnecessary travel.

Take the Group's rented office in the Netherlands as an example, the lighting in the premises is equipped with a motion detector which helps save energy in the meeting, storage and sanitary rooms. Furthermore, the Netherlands office uses natural air for its air-conditioning systems when the temperature outside the office drops below 12°C. The office's building management systems allow technical installations to be switched off automatically overnight and on weekends. The office also has double-glazed windows, wall and roof insulation and high-efficiency boilers installed to reduce over-reliance on energy for heating during the winter months.

Any anomalies in electricity consumption will be investigated, where appropriate corrective measures will be taken. Through the implementation of the aforementioned energy-saving measures, employees' awareness of energy conservation has increased.

The energy consumption performance of the Group is as follows:

Indicators	Units	FY2023	FY2022
Direct energy consumption	MWh	–	–
Indirect energy consumption[4] (Purchased electricity)	MWh	29.83	29.57
Total energy consumption	**MWh**	**29.83**	**29.57**
Total energy consumption intensity	**MWh/million HK$ revenue**	**2.24**	**0.66**
	MWh/billion US$ asset under management	**33.52**	**18.96**

Note:

4. Figures only include the Hong Kong office. Electricity usages in the Netherlands, Singapore, the UK and US offices were included in the tenancy agreement, related data are hence not available.

In FY2023, the Group's energy consumption intensity was approximately 33.52 MWh/billion US$ asset under management (FY2022: approximately 18.96 MWh/billion US$ asset under management), representing an increase of approximately 77% year-on-year. The increase in the total energy consumption intensity was mainly due to the decrease in the Group's assets under management.

To reinforce the Group's commitment to efficient energy use, the Group has set a target of raising employees' energy-saving awareness by participating in energy-saving campaigns such as the Earth Hour lights-out campaign in FY2024. In addition, the Group has set a target of providing notices via email to inform staff on energy-saving practices in FY2024. To pursue the energy use efficiency targets, the Group has implemented the following energy-saving measures:

- pre-set thermostats of heaters and air-conditioners at a mutually agreed level;
- post eye-catching reminders near lights switches and electrical appliances as a reminder to employees;
- switch off all idle appliances and unnecessary lights upon leaving offices; and
- purchase equipment with higher energy efficiency in the replacement of obsolete equipment.

Water Consumption

Water was mainly used in the rented offices. Since water usage and its related costs form part of the tenancy agreement, a breakdown of water consumption was thus not available. The Group reminds its employees to uphold water conservation measures by posting reminders around the offices and reporting leakages to the landlord or management company as soon as possible.

As the Group does not consume a significant amount of water when it conducts its investment holding business, no water efficiency targets were in place during FY2023.

As the Group's operations are mainly based in locations where water supply is sufficient, the Group does not encounter any problem in sourcing water that is fit for purpose.

Use of Packaging Materials

The Group is an investment holding company, the disclosure of the information relating to total packaging material used for finished products is not applicable due to the Group's business nature.

A3. The Environment and Natural Resources

The Group's business operations have a limited impact on the environment and natural resources. Nevertheless, the Group regularly assesses its existing and potential environmental risks and impacts to ensure compliance with relevant laws and regulations. The Group implements its ESG Policy when conducting its business, with an aim of reducing the environmental impacts such as exploitation of energy resources and GHG emissions, the Group pursues environmental sustainability. Where necessary, the Group will implement preventive measures to ensure compliance with the relevant laws and regulations.

Selection of Markets to Trade

The Group incorporates ESG considerations into its investment strategies. When selecting markets to trade it takes into consideration other factors include:

- with regards to equity indices, the Group trades derivatives on the world's main equity indices. Given this product set, the index options and futures that the Group trades are generally listed on a United Nations Sustainable Stock Exchange. In the unlikely situation where an instrument would not be traded on such exchange, this relevant instrument would be omitted from the product universe;

- with regards to the trading of single stocks and the overlying options, these names cannot be on the Exclusion List as prepared and published by one of the world's largest pension funds which has a long-standing and thoughtful approach in this area; and

- given the Group' trading orientated approach, the Group typically has limited net market exposure and is not long-term holders of individual securities. Where relevant the Group will seek to vote proxies in accordance with its investors' best interests, and where possible the Group takes into account any ESG considerations.

A4. Climate Change

Climate change is affecting many industries. A transition towards a low-carbon economy is essential to mitigate climate-related risks and seize opportunities. Understanding the potential risks and opportunities in this transition, the Group has identified significant climate-related issues which have impacted and may impact its operations. Therefore, the Group has formulated the Business Continuity and Disaster Recovery Plan to guide the Group in the event of an internal or external emergency or significant business disruption, including extreme weather to tackle these issues.

For physical risk, extreme weather has been more frequent and severe due to climate change. The increased frequency and severity of extreme weather might disrupt the Group's business operations. A disruption to the Group's business operations may cause a direct negative impact on the Group's revenue. Under extreme weather, operational facilities may be damaged, while the safety of the workforce may also be impacted.

The Group has taken different actions to manage the abovementioned acute physical risks. For example, the Group maintains a comprehensive insurance coverage on assets that are prone to damage by extreme weather conditions. In addition, the Group has developed the practice of communicating the arrangements under bad weather conditions to employees in advance. All employees have work-from-home capacities and secure access to servers and video conferencing. Employees are cross-trained so that all daily functions can be performed by more than one employee. The potential financial impacts can be minimised with adequate preparations for extreme weather events.

For transition risk, the Group's customer base may shrink if the Group fails to provide environmentally friendly investment options. Investors' preference is shifting towards financial assets that are less damaging to the climate or aligning better with broader objectives of society. In addition, the Group expects the laws and regulations related to climate change are going to be more stringent. As a result, the Group may face legal risks, which is a type of transition risks, and may need to bear higher operating costs to comply with regulatory changes.

To manage the transition risks that may be brought along by the climate crisis, the Group has taken an array of actions. First, the Group has incorporated sustainability into its investment strategies. Second, the Group has sought compliance advisors to reduce compliance risks. Third, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing GHG emissions. By going beyond current compliance requirements, the Group has a better chance to adapt swiftly to regulatory changes.

The Group will continue to assess the effectiveness of the Group's actions on climate change and enhance its resilience against climate-related issues.

B. SOCIAL

B1. Employment

The Group highly values its personnel and recognises that attracting and retaining talented and committed employees is an important factor in the continued success of the Group. Therefore, the Group is committed to attracting and retaining a diverse and inclusive workforce to help build a resilient and strong organisation. Employment policies are formally documented in the Group's Staff Handbook, which specifies the terms of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The Group periodically reviews the existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against service providers within the same industry.

The number of employees of the Group by category is as follows:

Indicators		As at 31 December 2023	As at 31 December 2022
Number of employees		**25**	**33**
By gender	Female	9	9
	Male	16	24
By age group	Under 30 years old	6	9
	30 to 50 years old	14	19
	Above 50 years old	5	5
By employment type	Full-time	25	32
	Part-time	–	1
By geographical region	Hong Kong	11	13
	The Netherlands	8	10
	The US	2	4
	Singapore	2	3
	The UK	2	3

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The relevant laws and regulations include, but are not limited, to the Employment Ordinance of Hong Kong, the Sex Discrimination Ordinance of Hong Kong, the Minimum Wage Ordinance of Hong Kong, the Fair Labor Standards Act of the US, the Americans with Disabilities Act of the US, the Labour Law of the Netherlands, the Disability Insurance Act of the Netherlands, the Employment Relations Act 1999 of the UK and the Employment Act of Singapore.

As at 31 December 2023, the Group had a total of 25 employees. The employee turnover rate in FY2023 is approximately 34.48%.

The number and rate of employee turnover of the Group by category are as follows:

Indicators		FY2023	FY2022
Number and rate (%) of employee turnover[5]		**10 (34.48%)**	**1 (3.23%)**
By gender[6]	Female	– (–)	– (–)
	Male	10 (50.00%)	1 (4.35%)
By age group[6]	Under 30 years old	4 (53.33%)	1 (12.50%)
	30 to 50 years old	6 (36.36%)	– (–)
	Above 50 years old	– (–)	– (–)
By geographical region[6]	Hong Kong	6 (50.00%)	– (–)
	The Netherlands	1 (11.11%)	1 (9.52%)
	The US	1 (33.33%)	– (–)
	The UK	1 (40.00%)	– (–)
	Singapore	1 (40.00%)	– (–)

Notes:

5. The calculation method of the turnover rate in the year: the number of employees leaving employment in the year ÷ ((the number of employees at the beginning of the year + the number of employees at the end of the year) ÷ 2) × 100%.
6. The calculation method of the turnover rate by category in the year: the number of employees leaving employment in the category in the year ÷ ((the number of employees in the category at the beginning of the year + the number of employees in the category at the end of the year) ÷ 2) × 100%.

Non-discriminatory Recruitment, Diversity and Equal Opportunities

The sustainable growth of the Group relies on the diversity of talents and a non-discriminatory recruitment process. The Operational Controls Outline sets out the Group's hiring practices. The Group's employees are recruited via a robust, transparent and fair recruitment process based solely on their application, interviews, comments from previous employers and references, as well as specifically considering whether they are fit and proper to perform their assigned responsibilities. New employees are subject to a probationary period.

The Diversity and Anti-harassment Policies set out the Group's commitment to providing a workplace where employees of all backgrounds can thrive and deliver superior performance for its clients, where individual differences and contributions of employees are recognised and valued, and where rewards and opportunities for training and career development are based on merit. The Group does not tolerate discrimination on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation. The Group believes that all employees should have the right to work in an environment free of discrimination and harassment and emphatically states its zero-tolerance stance on any aforementioned behaviours of any form in the workplace.

The Group has adopted a board diversity policy which sets out the approach by which the Board could achieve a higher level of diversity. When considering the nomination and appointment of a director, with the assistance of the Nomination Committee, the Board would consider a number of factors, including but limited to the skills, knowledge, qualifications and educational background, professional experience, cultural background, age, and gender. All the appointment of the Board members will be based on meritocracy having due regard to the benefits of diversity on the Board.

The Board currently has one female director. The Board will seek to ensure that an appropriate balance of gender diversity is achieved with reference to stakeholders' expectations and international and local recommended best practices, with the ultimate goal of bringing the Board to gender parity. The Nomination Committee will review and monitor the implementation of the Board Diversity Policy to ensure its effectiveness and recommend any revisions to the Board for consideration and approval.

Employee Benefits and Welfare

Good benefits and welfare encourage retention and foster a sense of belonging. Therefore, the Group seeks to offer a competitive and attractive remuneration package, including a competitive base salary and discretionary bonuses.

The remuneration structure of the Group is illustrated in the Remuneration Policy, which is designed to ensure that there is an appropriate balance of fixed and variable rewards and is dependent on performance-related factors such as individual, functional and corporate performance. In addition to the statutory leave entitlement of respective jurisdictions, the Group also offers employees various types of leaves and benefits, such as wedding leave, study leave and funeral leave, medical insurance and pension benefits.

The Company has established a Remuneration Committee to review and make recommendations to the Board on the overall remuneration policy and package structure relating to all directors and senior management of the Group. The Board approves the remuneration policy as well as individual packages for directors and senior management.

The remuneration packages are reviewed regularly by the Board to ensure that they are competitive and in line with the market trend in attracting and retaining individuals with the relevant skills, knowledge and experience. The balance of fixed and variable components in the employees' remuneration package is subject to annual review by the Board based on the Group's performance. In conducting the employees' pay review annually, the Board takes into account various factors, such as individual responsibilities and performance, economic conditions, and competitiveness in the job market.

Promotion, Performance Appraisal and Dismissal

The Group assesses the performance of the employees on an annual basis. The performance review system has been designed to identify the quality of an employee's performance and conduct of their duties in terms of job knowledge, volume and quality of work, technical knowledge, judgment, initiative and interpersonal skills, etc. The results are used for their annual salary review and performance appraisal. The Group also gives preference to internal promotion in order to provide incentives to employees for their consistent and continuous effort.

Unreasonable dismissal under any circumstances is strictly prohibited, dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group.

Working Hours and Rest Periods

Official working hours are clearly stated in the Staff Handbook and are in accordance with the employment laws of respective jurisdictions. Compensation for hours worked outside the normal working hours is included in the salary.

B2. Health and Safety

Occupational Health and Safety

Providing employees with a safe and healthy working environment is of utmost importance to the Group. The Group has implemented a policy on safety and accidents covering office safety policies, severe weather conditions arrangements, fire safety, procedures for any workplace accidents resulting in personal injury, and employee compensation for injury at work. The said policy can be found within the Staff Handbook.

We follow the office safety guidelines by the Hong Kong government. Employees who use computers for a prolonged period are encouraged to ensure the set-up of their desks, chairs and computers is in appropriate conditions to prevent health problems like upper limb pains, eyestrain and bodily fatigue. In any accidents that resulting in injury, employees should report to manager at the earliest opportunity and follow our accident handling procedure. If fire is discovered on the Company's premises, the employee should immediately report to the manager or human resources department and evacuate the premises in accordance with the building's safety rules. All of our offices are equipped with fire fighting equipment that complies with local fire safety laws and regulations. The abovementioned occupational health and safety practices are reviewed regularly to ensure their effectiveness.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. The relevant laws and regulations include, but are not limited to, the Occupational Safety and Health Ordinance of Hong Kong, the Employees' Compensation Ordinance of Hong Kong, the CFR 29 OSHA (Occupational Health and Safety Act) of the US, the Working Conditions Act of the Netherlands, the Workplace (Health, Safety and Welfare) Regulations 1992 of the UK and the Workplace Safety and Health Act of Singapore.

Zero Workplace Accidents

The Group's commitment to workplace safety is exemplified by zero reported cases of work-related injuries during FY2023. The Group had zero lost days due to work injury during FY2023 (FY2022: Nil). No work-related fatalities occurred between 1 January 2021 and 31 December 2023. The rate of work-related fatalities occurred in the past three years including FY2023 was 0%.

B3. Development and Training

The Group recognises its responsibility to help abate financial crimes and is committed to conducting its global activities with integrity. Therefore, the Group strongly encourages all its employees to participate in training and education to further enhance their competencies and remain up-to-date with industry and regulatory developments.

Continuous Training and Development

The Continuous Professional Training Policy, found in the Compliance Manual, encapsulates the framework of professional training activities.

The Group requires all its employees to attend annual AML and Code of Ethic training provided by a global consultancy firm as well as quarterly cybersecurity training. The Group's cybersecurity training program may cover the following: general information security matters, policies and procedures pertaining to information security, information classification, access control and use of passwords, maintenance and protection of passwords, incident reporting, physical security, social engineering tactics, phishing (conducted semi-annually), as well as additional relevant information at the time of the training. To ensure the Group's employees remain vigilant to potential cybersecurity threats, fake phishing emails are routinely sent to employees to test their alertness.

To protect sensitive and highly confidential data, the Group provides related training to newly recruited employees to ensure that they are aware of and comply with all internal policies, rules and regulations as required by the Group and adhere to confidentiality and non-disclosure obligations. The Group has also implemented access controls and confidentiality standards guidelines for relationships with designated critical third-party suppliers.

The Group's responsible officers and licenced representatives are required to undertake a minimum of five continuous professional training hours per calendar year for each regulated activity in order to fulfil the Securities and Futures Commission ("**SFC**") continuous professional training requirements, maintain their SFC licences to carry on the relevant regulated activities and keep updated on the changes and developments in the asset management industry and the relevant laws and regulations. Designated compliance team personnel will review employees' training records each year to identify any licence-holder who has not met the hourly requirements and remind those license-holders of the deficit.

During FY2023, the Group conducted a series of job-related training courses which covered areas such as compliance, ethics, AML and cyber security. These training courses are designed to ensure compliance with all applicable laws in countries where the Group operates.

During FY2023, the total percentage of employees trained[7] is 100%, while the average training hours per employees[8] is 8.9 hours. The percentage of employees trained by gender and employee category and average training hours completed per employee of the Group by category are as follows:

Notes:

7. The calculation method of the percentage of employees trained in the year: (the number of employees trained in the year ÷ the total number of employees at the end of the year) × 100%.
8. The calculation method of the average training hours per employee (by category) in the year: the training hours of employees in the category in the year ÷ the number of employees (in the category) at the end of the year.

Indicators		Units	FY2023	FY2022
Percentage of employees trained by gender[9]	Female	Percentage	36%	27%
	Male	Percentage	64%	73%
Percentage of employees trained by employee category[9]	Senior management	Percentage	44%	33%
	Management	Percentage	16%	18%
	Other employees	Percentage	40%	49%
Average training hours by gender[8]	Female	Hours	6.8	7.8
	Male	Hours	10.1	9.2
Average training hours by employee category[8]	Senior management	Hours	10.8	11.1
	Management	Hours	9.5	12.0
	Other employees	Hours	6.6	6.0

Note:

9. The calculation method of the percentage of employees trained by category in the year: (the number of employees trained in the category in the year ÷ the total number of employees trained in the year) × 100%.

B4. Labour Standards

Prevention of Child and Forced Labour

The Group is principally engaged in fund management business and consultancy services, the nature of the Group's activities involves a relatively small, highly skilled team of professionals working together. The Group strives to ensure that it can provide an attractive working environment and career opportunities to current and prospective employees.

The Group's hiring process and employment practices are designed to include appropriate checks to ensure compliance with all relevant laws. The rights and responsibilities of our employees, including working hours, are listed out clearly in the Staff Handbook for their acknowledgement. The Group will check the identify of applicants when recruiting to prevent child labour. If child labour or forced labour is found as a result of a breach of the Group's hiring process and employment practices, the Group will immediately stop the work of the child labour or forced labour and conduct an investigation.

The Group outsources functions and engages consultants to fulfil operational needs and supplement or enhance the work undertaken by the Group's employees. Suppliers include international investment banks, financial data providers and other firms. The Group takes steps to prevent any indirect exposure to child labour and forced labour through due diligence on its suppliers and consultants. This includes preventing engagement with suppliers and consultants who have child or forced labour hiring records. The Group strongly supports international efforts to prevent child labour and forced labour.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to preventing child and forced labour. The relevant laws and regulations include, but are not limited to, the Employment Ordinance of Hong Kong, the Fair Labor Standards Act of the US, the Labour Law of the Netherlands, the Employment Relations Act 1999 of the UK and the Employment Act of Singapore. During FY2023, the Group did not discover any exposure to child and forced labour in its operations (FY2022: Nil).

B5. Supply Chain Management

The Group outsources functions and engages consultants to fulfil its operational needs. The Group's Operational Controls Outline states that the selection of outsourced service providers and consultants is based on their assessed liabilities and capacities. The Group will initially determine whether a particular regulatory function is appropriate to outsource and evaluate the outsourcing risk, including, among other risks, information/recordkeeping security and consultant failure. The Group strictly followed the Operational Controls Outline to evaluate the business practices of its suppliers and vendors. An annual risk-based review was undertaken to assess the work product of suppliers. During FY2023, the number of suppliers evaluated by the Group was 4 (FY2022: 4). Furthermore, an annual risk-based review was undertaken to assess vendors' security controls, technical infrastructure, and procedures to identify risks in each vendor's cybersecurity program. During FY2023, the number of vendors evaluated by the Group was 25 (FY2022: 25). The Group has evaluated its various suppliers and vendors including compliance consultants, prime/clearing brokers, fund administrator and custody banks.

The Group also intends to engage service providers and consultants who incorporate ESG issues into their policies and business development. The Group's primary service providers, Bank of America and Morgan Stanley, are financial institutions that focus on integrating sustainability into their core businesses and support functions and have already established relevant policies in relation to ESG issues. Bank of America has achieved carbon neutrality; Morgan Stanley commits to reach net-zero financed emissions by 2050. In addition, Bloomberg, another significant service provider, has committed to sourcing 100% of its energy from renewable sources by 2025.

The Group periodically evaluates and monitors its practices relating to engaging suppliers and vendors, its practices used to identify environmental and social risks along the supply chain and its practices used to promote environmentally preferable products and services to ensure the effectiveness of the Group's quality and service standards. Should a vendor or supplier fall below the agreed standard, the cooperation may be terminated.

The abovementioned supplier engagement practises are reviewed regularly to ensure their effectiveness.

The number of suppliers and vendors of the Group by region is as follows:

Indicators		FY2023	FY2022
Total number of suppliers and vendors		**168**	**119**
By region	Hong Kong	41	42
	The US	44	29
	The Netherlands	24	15
	Singapore	16	11
	The UK	16	8
	Others	27	14

B6. Product and Service Responsibility

During FY2023, the Group was not aware of any non-compliance with laws and regulations that would have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. The relevant laws and regulations include, but are not limited to, the Personal Data (Privacy) Ordinance of Hong Kong, the Securities and Futures Ordinance of Hong Kong, the Regulation S-P of U.S. Securities and Exchange Commission ("**SEC**"), the Part 160 of Commodity Futures Trading Commission ("**CFTC**"), the Rules 2-9, 2-13 and 2-29 of National Futures Association ("**NFA**"), the Investment Advisers Act of 1940 of US, the Financial Markets Supervision Act Amendment 2014 of the Netherlands, the Data Protection Act 2018 of the UK, the Consumer Protection (Trade Descriptions and Safety Requirements) Act of Singapore and the Personal Data Protection Act of Singapore. During FY2023, the Group did not receive any cases of product or service-related complaints (FY2022: Nil).

Cybersecurity and Data Protection

Protecting clients' data is of paramount importance to the Group. Therefore, the Group strives to ensure the privacy and security of the collection and usage of all personal information. The Group's Privacy Policy, which is based on the General Data Protection Regulation, provides clear standards and instructions for data processing, disclosure and retention. The rights of data subjects are specified in the policy, such as obtaining access, obtaining restriction of processing, objecting to processing and so on. The Group has also adopted the comprehensive Written Information Security Policy ("**WISP**") in accordance with the increased regulatory attention to the process of protecting information by preventing, detecting, and responding to the loss of sensitive data in the investment management space.

Access to sensitive data and the Group's network is granted only when necessary. A formal registration procedure has been established to grant and revoke access to sensitive data. Each employee who has access to sensitive data is responsible for the confidentiality, integrity and availability of the data. If the compliance officer determines that an employee or third party has violated the WISP, the compliance officer or members of senior management may impose sanctions and/or take other action as deemed appropriate, which may include termination of employment or contract. Additionally, confidential sensitive data cannot be disclosed to any other individual without documented appropriate permission from the Group's management level. Standards concerning the protection of sensitive data on removable media (including USB drives, flash memory cards and portable hard drives) are in place.

The Group's chief technology officer is responsible for coordinating and maintaining the WISP and the compliance team is responsible for assisting the chief technology officer in administering the policy and the procedures adopted therein.

Furthermore, the Group has implemented a framework for ensuring that all systems and applications are kept up-to-date with critical security patches. The Group's cybersecurity service provider performs technical assessments, such as vulnerability assessments, to identify systems that may be missing required patches in a manner that will not adversely impact production systems on a regular basis. Procedures have also been implemented to identify and manage or correct possible areas of vulnerability in the system's security procedures, design, implementation of internal controls that could result in a security breach or a violation of the WISP.

The Group's Incident Response Plan ("**IRP**") details the resolution phases and reporting procedures in case of information security incidents. The IRP documents, monitors and reviews information security incidents and/or breaches and provides a framework for future improvement.

The practises are reviewed regularly to ensure their effectiveness.

Stability of Technology Platform

As digital technology advances, it plays an increasingly more significant role in how the Group delivers services to its clients. Therefore, the resilience and stability of the systems are directly correlated to the quality of the services that the Group provides.

The Group has developed its in-house proprietary platform to support its distinctive and active trading strategy and enable real-time pricing of implied volatilities, quantitative comparisons, risk management as well as speedy execution of trades. The proprietary technology significantly reduces the reliance on external technology suppliers, and when combined with the Group's experienced information technology team, the two elements effectively enhance the Group's control over internal technology risks. The technology platform utilises cloud-native technologies with abundant redundancies to ensure it supports seamless 24/5 trading without disruptions, even during times when various software or applications are being updated.

To ensure the risk of business disruption is maintained at the lowest level, the Group has implemented and maintained the Business Continuity and Disaster Recovery Plan ("**BCDR Plan**") which outlines procedures in the event of an internal or external emergency or significant business disruption.

In order to ensure that the Group is compliant with SFC, SEC, CFTC and NFS' requirements in relation to internal controls and management systems, the Group has adopted certain internal control system and procedures which are implemented in part of its operations.

Conduct and Compliance

As a financial services corporation, ensuring sound practices is inherent to protecting the assets of its clients and investors and the Group's continued success. The Group also operates in a highly regulated industry and therefore places a strong emphasis on internal controls and compliance. During FY2023, the Group was not engaged in any litigation, claim or arbitration proceeding of material importance and has complied with all applicable legislation, regulations, rules, codes, guidelines and permits and licence requirements in the jurisdictions in which the Group operates. The Group has established the Code of Ethics to ensure ethical and responsible business conduct. The said code emphatically states that the interest of its clients must be placed first at all times, employees should not take inappropriate advantage of their positions and must comply with all applicable securities laws.

Complaint Management and Customer Satisfaction

The Group highly values feedback from its clients, whether positive or negative. Feedback can help the Group to continually improve and develop to better serve its clients' needs.

The Group is committed to ensuring compliance and customer satisfaction and has established complaint procedures to ensure that all complaints are properly handled in a consistent manner.

In the event a complaint is received, the compliance team will strive to handle it in a timely and appropriate manner. The compliance team is responsible for maintaining a register of any complaints that may be received, which is reviewed periodically by senior management. If a complaint is not remedied promptly, the client or investor is advised of any further steps which may be available under the relevant regulatory system. All complaints and the handling of such are presented to the chief executive officer and chairman, co-chief investment officers and chief technology officer.

Intellectual Property ("IP") Rights

The Group obtained registration of the Group's trademarks in Hong Kong; the domain name was also registered. The Group respects and regularly monitors to ensure that IP rights are not being infringed upon.

Advertising and Labelling

The Group's Compliance Manual provides a comprehensive guideline on advertising matters. In addition to prohibiting fraudulent, deceptive or manipulative advertising, the advertising materials must be approved by the chief compliance officer or a director who did not prepare the materials.

Product Health and Safety

As an investment holding company, the Group mainly provide fund management and consultancy services. The disclosure of the information relating to total products sold or shipped subject to recalls and recall procedures is not applicable due to the Group's business nature.

B7. Anti-corruption

Solid corporate governance is the bedrock of the Group's growth and development. The Group does not tolerate illegal or unethical conduct that not only violates relevant laws and regulations but also places the business integrity and reputation of the Group in jeopardy.

During FY2023, the Group was not aware of any material non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance of Hong Kong, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, the Foreign Corrupt Practices Act of the US, the Dutch Criminal Code of the Netherlands, the foreign and domestic bribery laws of the UK and the Prevention of Corruption Act of Singapore.

There were no concluded legal cases regarding corrupt practices brought against the Group's issuer or its employees during FY2023 (FY2022: Nil).

AML and CFT

The Group does not tolerate any deliberate breach of applicable financial crime laws and regulations, such as bribery, extortion, fraud and money laundering. The Code of Ethics sets forth standards of conduct expected of the Group's employees and reflects employees' and the Group's fiduciary duty to the Group's clients.

Various policies and procedures have also been implemented and extensively reported to ensure compliance with Hong Kong, Cayman Island and the US AML legislation and regulations. An AML Program ("**AML Program**"), amongst other procedures, has been adopted to comply with the Group's obligations. The chief compliance officer is responsible for overseeing compliance with the AML Program, which includes procedures that apply to existing and prospective investors in the funds managed by the Group.

New employees are required to undergo AML training during the initiation and training programme, all employees are required to take part in the mandatory AML training every calendar year.

As such, the Group has set out comprehensive policy and procedures on money laundering and terrorist financing in its compliance manual with the section headed "**Money Laundering and Terrorist Financing**" which are specifically designed to ensure employees fully understand their obligations and responsibilities at work. The senior management ensures the implementation of AML/CFT systems, including through annual mandatory AML training for all employees and the delegation of AML/CFT duties to an administrator as well as the appointment of a manager-in-charge ("**MIC**") for AML who also fills the role of money laundering reporting officer.

Furthermore, a risk-based approach Customer Due Diligence Policy has been established to identify the types of clients and investors who are likely to pose a higher-than-average risk of money laundering and terrorist financing. An enhanced customer due diligence process is adopted for customers, business relationships or transactions that pertain to higher risk categories.

Anti-corruption Training

Anti-corruption and ethics training is essential for creating a healthy corporate culture. Apart from providing employees with clear guidance on the prevention of corrupt practices via the Group's policies, the Group also ensures execution of good practices via arranging anti-corruption training for all directors and managers at least once every year.

One of the ways to provide anti-corruption training is by providing annual AML and Code of Ethic training provided by a global consultancy firm to update with employees and directors on the AML practice in the region the Group operates. A quiz was designed to test the employees' knowledge. The reading materials and quiz allowed them to understand the anti-corruption laws and promote business ethics. In addition, the Group's directors attend regular corporate governance training, which covers knowledge of anti-corruption legislation as well as necessary skills to handle ethical dilemmas at the workplace. During the Reporting Period, 7 directors (including independent directors) received approximately 7 hours of anti-corruption training. During the Reporting Period, 25 employees received approximately 25 hours of anti-corruption training.

Acceptance of Gifts

Employees should not solicit or accept any advantage for themselves or others, from any person or firm that have business dealings with the Group. The Anti-bribery, Gifts and Entertainment Policy mandates that an employee should not receive or agree to any financial or other benefits from third parties, either directly or indirectly, which could be considered connected to his/her activities at or for the Group. Bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited in the Group.

Whistle-blowing Mechanism

The Whistle-blowing Policy has been established and covers the treatment of all concerns or complaints relating to suspected improper activities. The said policy aims to provide employees with guidance and reporting procedures to encourage employees to report fraudulent activities. Whistle blowers are encouraged to promptly report suspected improper activity to the Chief Compliance Officer ("**CCO**") for investigation. In the event that the suspected improper activity involves the CCO, whistle blowers are advised to promptly report such activity to the Chair of the Risk Committee. Upon receipt of a report, the CCO or Risk Committee Chair, as the case may be, will without delay evaluate the validity and relevance of the concerns raised, and decide if a full investigation is necessary. If a full investigation is warranted, an investigation team will be appointed and the Company's Audit Committee Chair will be notified. To monitor the effectiveness of the Whistleblowing Policy, all reports are reviewed regularly to identify any pattern of alleged improprieties that need to be addressed.

The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated. The Whistle-blowing Policy is reviewed regularly to ensure its effectiveness.

B8. Community Investment

Active Community Participation

As a responsible corporate citizen, the Group recognises the importance of contributing to the community where it operates. The Group follows its ESG Policy to nurture the corporate culture and encourage its employees to engage in community services and voluntary activities to give back to the members of the public.

The Group encourages the development of sports for their value in promoting a healthy and balanced way of life. In addition, the Group supports talented athletes in the community in their pursuit of excellence. During FY2023, the Group sponsored HK$100,000 to a Hong Kong rugby club. The Group also supports young talent to solve real-life economic challenges with their entrepreneurial mindset and critical thinking skills to address. During FY2023, the Group sponsored EUR4,000 to Econometric Game which is host in Amsterdam and had 26 universities from around the world to compete against each other to solve an issue happening in our world by applying their econometric skills. The Group believe that by supporting this event, it can foster the development of a new generation of talented individuals who can make meaningful contributions to the world. The Group will continue to engage in community events in the coming years.

The ESG Reporting Guide Content Index of SEHK

Mandatory Disclosure Requirements	Sections
Governance Structure	Chairman's Statement Governance for Sustainability
Reporting Principles	Reporting Principles
Reporting Boundary	Reporting Scope

"Comply or explain" Provision

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A1: Emissions		
General Disclosure	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 GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	A1. Emissions – Air Pollutant Emissions (not applicable and explained)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and intensity.	A1. Emissions – GHG Emissions

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A1: Emissions (cont'd)		
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	A1. Emissions – Waste Management (not applicable and explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	A1. Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	A1. Emissions – GHG 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.	A1. Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2. Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A2. Use of Resources – Energy Efficiency
KPI A2.2	Water consumption in total and intensity.	A2. Use of Resources – Water Consumption (not applicable and explained)
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	A2. Use of Resources – Energy Efficiency
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.	A2. Use of Resources – Water Consumption (Water efficiency targets are not applicable and explained)
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	A2. Use of Resources – Use of Packaging Materials (not applicable and explained)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	A3. The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	A3. The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	A4. Climate Change
Aspect B1: Employment		
General Disclosure	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, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full– or part-time), age group and geographical region.	B1. Employment
KPI B1.1	Employee turnover rate by gender, age group and geographical region.	B1. Employment

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B2: Health and Safety		
General Disclosure	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.	B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	B2. Health and Safety – Zero Workplace Accidents
KPI B2.2	Lost days due to work injury.	B2. Health and Safety – Zero Workplace Accidents
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2. Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3. Development and Training – Continuous Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	B3. Development and Training – Continuous Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3. Development and Training – Continuous Training and Development

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B4: Labour Standards		
General Disclosure	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.	B4. Labour Standards – Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4. Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4. Labour Standards – Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	B5. Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	B5. 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.	B5. 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.	B5. Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B6: Product Responsibility		
General Disclosure	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 relating to products and services provided and methods of redress.	B6. Product and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6. Product and Service Responsibility – Product Health and Safety (not applicable and explained)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	B6. Product and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6. Product and Service Responsibility – IP Rights
KPI B6.4	Description of quality assurance process and recall procedures.	B6. Product and Service Responsibility – Stability of Technology Platform
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6. Product and Service Responsibility – Cybersecurity and Data Protection

Subject Areas, Aspects, General Disclosures and KPIs	Description	Sections/Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	B7. Anti-corruption
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.	B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7. Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7. Anti-corruption – Anti-corruption Training
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	B8. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	B8. Community Investment

Ralph Paul Johan van Put
Chairman and Chief Executive Officer

Hong Kong, 26 March 2024

As at the date of this report, the Board comprises Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster and Mr. Roy van Bakel, each as an executive Director and Mr. Jeroen M. Tielman, Ms. Jasmine Wan Ting Pai and Mr. Michael Ngai Ming Tak, each as an independent non-executive Director.

This report will remain on the website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for a minimum period of seven days from the date of its publication. This report will also be published on the Company's website at www.truepartnercapital.com.

In the case of inconsistency, the English text of this report shall prevail over the Chinese text.

Independent auditor's report to the shareholders of True Partner Capital Holding Limited

(Incorporated in the Cayman Islands with limited liability)

大信梁學濂(香港)會計師事務所有限公司

PKF
Accountants & business advisers

26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Opinion

We have audited the consolidated financial statements of True Partner Capital Holding Limited and its subsidiaries (together the "**Group**") set out on pages 137 to 195, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

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

Key audit matters (cont'd)

Key audit matter
- management fee income recognition

For the year ended 31 December 2023, the Group recognised management fee income of HK$12,387,000.

We focused on this area due to the significance of the amounts and the risks arising from the manual process involved in fee income recognition.

The calculation of management fee income is largely a manual process and there is an inherent risk of material misstatement due to the following:

a. Interpretation of contractual terms from the relevant prospectus or investment management agreements;

b. Manual input of key contractual terms and fee rates in relevant spreadsheets; and

c. Manual input of details of assets under management obtained from the third party fund administrators.

The Group's disclosures of management fee income are detailed in note 6 to the consolidated financial statements.

How our audit addressed the key audit matter

1. We obtained an understanding and tested for implementation, on a sample basis, of the key controls in place over the calculation of management fee income;

2. We reviewed the independent internal control report issued on the major third party fund administrator; and

3. We obtained an understanding and tested for implementation, on a sample basis, of the controls in place over the maintenance of records of assets under management, including the reconciliation to custodian statements.

We also performed the following tests on a sample basis:

1. We reviewed the key contractual terms and agreed the fee rates against the contractual terms from the relevant prospectus or investment management agreements;

2. We tested the accuracy of the records of assets under management by inspecting relevant third party custodian statements;

3. We tested the mathematical accuracy of the fee calculations by re-calculation;

4. We tested the settlement of the fee income by inspecting supporting documents in relation to cash receipts; and

5. We performed cut-off test on fee income by inspecting relevant third party custodian statements.

Other information

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

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

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

Responsibilities of the directors and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

Auditor's responsibilities for the audit of the consolidated financial statements (cont'd)

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

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements (cont'd)

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

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

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Hui Lai King (Practising Certificate Number: P03499).

PKF Hong Kong Limited
Certified Public Accountants
Hong Kong

26 March 2024

Consolidated statements of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Note	**2023** **HK$'000**	2022 HK$'000
Revenue	6	**13,289**	44,793
Other income	6	**1,220**	516
Direct costs		**(1,602)**	(3,398)
Net gain/(loss) on financial assets at fair value through profit or loss		**210**	(1,585)
General and administrative expenses		**(78,336)**	(74,060)
Finance costs	7	**(122)**	(182)
Share of results of associates		**(204)**	(662)
Loss before income tax	8	**(65,545)**	(34,578)
Income tax (expense)/credit	11	**(1,456)**	1,070
Loss for the year		**(67,001)**	(33,508)
Other comprehensive income/(expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**491**	(414)
Item that will not be reclassified to profit or loss:			
Fair value gain on financial assets designated at fair value through other comprehensive income		**–**	2,909
Other comprehensive income		**491**	2,495
Total comprehensive loss for the year		**(66,510)**	(31,013)
Loss for the year attributable to:			
Owners of the Company		**(67,001)**	(33,636)
Non-controlling interest		**–**	128
		(67,001)	(33,508)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(66,510)**	(31,141)
Non-controlling interest		**–**	128
		(66,510)	(31,013)
Loss per share (HK cents)			
Basic and diluted loss per share	13	**(16.75)**	(8.41)

Consolidated statements of financial position

As at 31 December 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current assets			
Plant and equipment	14	–	3,057
Right-of-use assets	15	–	2,946
Intangible assets	16	–	532
Investments in associates	17	**1,864**	2,594
Deferred tax assets		–	1,253
Financial assets at fair value through profit or loss	18	**16,759**	27,386
		18,623	37,768
Current assets			
Derivative financial assets	18	**839**	–
Accounts receivable	19	**1,738**	5,165
Other receivables	20	**6,847**	5,022
Deposits placed with brokers		**8,921**	595
Tax recoverable		**1,774**	2,454
Fixed bank deposit		**418**	–
Cash and cash equivalents	21	**66,048**	122,710
		86,585	135,946
Asset classified as held for sale	17	**470**	–
		87,055	135,946
Current liabilities			
Accruals and other payables	22	**8,332**	8,885
Financial liabilities at fair value through profit or loss	18	**1**	1
Derivative financial liabilities	18	**306**	–
Lease liabilities	23	**1,367**	1,338
Tax payable		**59**	–
		10,065	10,224
Net current assets		**76,990**	125,722
Total assets less current liabilities		**95,613**	163,490
Non-current liability			
Lease liabilities	23	**353**	1,720
Net assets		**95,260**	161,770

As at 31 December 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
Capital and reserves			
Share capital	25	**157,074**	157,074
Reserves	27	**(61,814)**	4,696
Total equity		**95,260**	161,770

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 26 March 2024 and signed on its behalf by:

Ralph Paul Johan van Put	**Godefriedus Jelte Heijboer**
Chairman	*Director*

Consolidated statements of changes in equity

For the year ended 31 December 2023

	Share capital HK$'000	Share premium HK$'000	Reserves: Group reorganisation reserve HK$'000	Exchange reserve HK$'000	Fair value reserve (Notes (i)) HK$'000	Capital reserve (Notes (ii)) HK$'000	Share option reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1.1.2022	4,000	153,074	1,145	(662)	(2,293)	7,234	2,479	34,641	199,618	5,798	205,416
Loss for the year	–	–	–	–	–	–	–	(33,636)	(33,636)	128	(33,508)
Other comprehensive income	–	–	–	(414)	2,909	–	–	–	2,495	–	2,495
Total comprehensive income for the year	–	–	–	(414)	2,909	–	–	(33,636)	(31,141)	128	(31,013)
Recognition of equity-settled share-based payment expense – *Note 24*	–	–	–	–	–	–	1,620	–	1,620	–	1,620
Acquisition of additional non-controlling interest of a subsidiary – *Note 28(c)*	–	–	–	–	–	(8,327)	–	–	(8,327)	(5,926)	(14,253)
Disposal of financial assets at fair value through other comprehensive income	–	–	–	–	(616)	–	–	616	–	–	–
At 31.12.2022 and 1.1.2023	4,000	153,074	1,145	(1,076)	–	(1,093)	4,099	1,621	161,770	–	161,770
At 1.1.2023	4,000	153,074	1,145	(1,076)	–	(1,093)	4,099	1,621	161,770	–	161,770
Loss for the year	–	–	–	–	–	–	–	(67,001)	(67,001)	–	(67,001)
Other comprehensive income	–	–	–	491	–	–	–	–	491	–	491
Total comprehensive loss for the year	–	–	–	491	–	–	–	(67,001)	(66,510)	–	(66,510)
Share options lapsed	–	–	–	–	–	–	(4,099)	4,099	–	–	–
At 31.12.2023	**4,000**	**153,074**	**1,145**	**(585)**	**-**	**(1,093)**	**-**	**(61,281)**	**95,260**	**-**	**95,260**

Notes:

(i) Fair value reserve represents the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.

(ii) Capital reserve represents equity transaction between the Group and the non-controlling interests.

Consolidated statements of cash flows

For the year ended 31 December 2023

	2023 HK$'000	2022 HK$'000
Cash flows from operating activities		
Loss before income tax	**(65,545)**	(34,578)
Adjustments for:		
Fair value (gain)/loss arising from financial instruments at fair value through profit or loss	**(210)**	1,585
Net gain on fair value changes of derivatives	**(18)**	–
Amortisation of intangible assets	**289**	293
Depreciation of plant and equipment	**1,569**	1,532
Depreciation of right-of-use assets	**1,348**	1,713
Dividends from equity investments	**(247)**	(492)
Impairment loss on non-current assets	**4,012**	–
Interest income	**(507)**	(15)
Interest expense	**122**	182
Share of results of associates	**204**	662
Equity-settled share-based payment expense	**–**	1,620
Operating loss before working capital changes	**(58,983)**	(27,498)
Changes in working capital:		
Accounts receivables	**3,427**	3,618
Other receivables	**(1,825)**	1,146
Deposits placed with brokers	**(8,326)**	(439)
Accruals and other payables	**(553)**	(921)
Cash used in operations	**(66,260)**	(24,094)
Interest received	**507**	15
Payments arising from option premiums and net settlement of derivatives	**(515)**	–
Hong Kong profits tax refunded	**536**	250
Net cash used in operating activities	**(65,732)**	(23,829)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	**–**	(11,295)
Proceeds from disposal of financial assets at fair value through profit and loss	**10,337**	8,000
Proceeds from disposal of financial assets at fair value through other comprehensive income	**–**	6,616
Placement of fixed bank deposits	**(418)**	–
Purchases of plant and equipment	**(606)**	(1,389)
Purchases of intangible asset	**(18)**	–
Dividends from equity investments	**247**	492
Net cash from investing activities	**9,542**	2,424

Consolidated statements of cash flows (cont'd)

For the year ended 31 December 2023

	2023 HK$'000	2022 HK$'000
Cash flows from financing activities		
Acquisition of additional non-controlling interest in a subsidiary	**–**	(14,253)
Principal element of lease rentals payment	**(1,338)**	(1,653)
Interest element of lease rentals payment	**(122)**	(144)
Interest paid	**–**	(38)
Net cash used in financing activities	**(1,460)**	(16,088)
Net decrease in cash and cash equivalents	**(57,650)**	(37,493)
Cash and cash equivalents at beginning of the year	**122,710**	160,571
Effect of foreign exchange rate changes	**988**	(368)
Cash and cash equivalents at end of the year	**66,048**	122,710
Analysis of the balance of cash and cash equivalents		
Cash at bank	**66,048**	122,710

1. Corporate information

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is located at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands and its principal place of business is located at Suites 2902-03, 29/F., Tower 2, The gateway, Harbour City, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in fund management business, derivative trading and providing consultancy services.

The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited ("**The Stock Exchange**") on 16 October 2020.

2. Basis of preparation

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosures required by the Rules Governing the Listing of securities on GEM of The Stock Exchange.

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 17	Initial Application of HKFRS 17 and HKFRS 9 Comparative Information
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 8 Definition of Accounting Estimates

The Group has applied the amendments for the first time in the current year. The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. The amendments to HKAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

2. Basis of preparation (cont'd)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year (cont'd)

Impacts on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The application of the amendments has had no material impact on the Group's financial position and performance.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "**Practice Statement**") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance nor the disclosure of the Group's accounting policies set out in Note 3 to the consolidated financial statements.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") - Long Service Payment ("LSP") offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory and voluntary MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "**Abolition**"). The Abolition will officially take effect on 1 May 2025 (the "**Transition Date**"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

2. Basis of preparation (cont'd)

(a) New and amendments to HKFRSs that are mandatorily effective for the current year (cont'd)

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund ("MPF") - Long Service Payment ("LSP") offsetting mechanism in Hong Kong (cont'd)

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of HKAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of HKAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of HKAS 19.

The Group has not recognised any cumulative catch-up adjustment in profit or loss for the service cost, interest expense for the year ended 31 December 2022 as the difference at the enactment date (16 June 2022) between the carrying amount of the LSP liability calculated under paragraph 93(b) of HKAS 19 before the Abolition and the carrying amount of the LSP liability calculated under paragraph 93(a) of HKAS 19 after the Abolition is immaterial.

This change in accounting policy did not have any impact on the opening balance of equity at 1 January 2022 and the cash flows amounts for the year ended 31 December 2022.

(b) Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and Related Amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2024.
3 Effective for annual periods beginning on or after 1 January 2025.

The directors anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. Material accounting policy information

(a) Basis of consolidation

The consolidated financial statements present the financial information of the Company and entities controlled by the Company as if they are a single economic entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

In the statement of financial position of the Company, investments in subsidiaries are stated at cost less impairment losses.

(c) Associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting.

3. **Material accounting policy information (cont'd)**

(c) Associates (cont'd)

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. Material accounting policy information (cont'd)

(d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss.

Depreciation is calculated to write off the cost of plant and equipment on a straight-line basis over their estimated useful lives:

Furniture and fixtures	- 20% to 33 1/3%
Computer equipment	- 33 1/3%
Office equipment	- 20% to 33 1/3%
Leasehold improvements	- over the lease term

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

(e) Intangible assets

Intangible assets represent licence cost of software and cost of self-developed software.

Intangible asset is stated at cost less accumulated amortisation and impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life of 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(f) Financial assets

The Group classifies its financial assets into one of the following measurement categories at initial recognition as subsequently measured at: fair value through profit or loss ("FVPL"), amortised cost and fair value through other comprehensive income ("FVOCI"). The classification depends on the Group's business model for managing its financial instruments and the contractual cash flow characteristics of the instruments, or the election of fair value option. All financial assets are recognised initially at fair value plus any directly attributable transaction costs except for accounts receivable arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from contract with customer.*

Financial assets at amortised cost

Financial assets are classified as subsequently measured at amortised cost if both of the following conditions are met: (i) the financial assets are held within a business model with the objective to collect contractual cash flows ("hold-to-collect" business model), and (ii) the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method less allowances for expected credit losses. Interest income which includes the amortisation of premium or discount is calculated using the effective interest method and is recognised in the profit or loss, gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3. Material accounting policy information (cont'd)

(f) Financial assets (cont'd)

Equity investments designated as at FVOCI
Financial assets at FVOCI are subsequently measured at fair value. Unrealised gains or losses arising from changes in the fair value of the financial assets are recognised directly in other comprehensive income, and accumulated in fair value change reserve without subsequent reclassification to the profit or loss even upon disposal.

Financial assets at FVPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI or designated as FVOCI are measured at FVPL.

Financial assets at FVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset.

Derivative financial instruments
Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

(g) Receivables

Receivables are recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before the payment of consideration is due. They are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less allowance for expected credit losses.

(h) Expected credit losses ("**ECLs**")

Impairment of financial assets subject to impairment assessment under HKFRS 9 *Financial Instruments*

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets including accounts and other receivables, deposits placed with brokers and cash and cash equivalent which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for accounts receivable without significant financing component.

3. Material accounting policy information (cont'd)

(h) Expected credit losses ("**ECLs**") (cont'd)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

3. Material accounting policy information (cont'd)

(h) Expected credit losses ("**ECLs**") (cont'd)

(iii) Credit-impaired financial assets

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

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

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

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

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

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

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for accounts receivable are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. Material accounting policy information (cont'd)

(i) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that these non-financial assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset (or a CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(k) Payables and accruals

Payables and accruals are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting would be immaterial in which case they are stated at cost.

(l) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures 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 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 is remote.

3. **Material accounting policy information (cont'd)**

(m) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service.

(i) Management and performance fee income is recognised over time using input method with reference to time elapsed, which faithfully depicts the relative value of the services provided to customer to date. Management fee is determined based on the net assets value under management. Performance fee is receivable if and when certain conditions are met. The performance fee is variable consideration which is only included in the transaction price if it is highly probable that the amount of revenue recognised would not be subject to significant future reversals as a result of subsequent re-estimation;

(ii) Consultancy service fee income is recognised at a point in time when the relevant services have been rendered.

(iii) Dividend income is recognised when the right to receive payment is established; and

(iv) Interest income is recognised as it accrues using the effective interest method.

(n) Employee benefits

Salaries, annual bonuses, annual leave entitlements and the cost to the Group of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as the related service is provided.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(o) Income tax

Income tax expense represents the sum of the current and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable and deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

3. Material accounting policy information (cont'd)

(o) Income tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the current and deferred tax is also dealt with in other comprehensive income or directly in equity respectively.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the right-of-use assets, no temporary differences arise on initial recognition.

(p) Foreign currencies translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entities operate (the "**functional currency**"). These consolidated financial statements are presented in Hong Kong dollar (the "**presentation currency**"), which is the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions during the period are translated into functional currency at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates ruling at the end of the reporting period. Differences arising from foreign currency translation and retranslation of monetary items are dealt with in profit or loss.

3. Material accounting policy information (cont'd)

(p) Foreign currencies translation (cont'd)

(iii) Group companies

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

- assets and liabilities are translated at the closing rate at the end of that reporting period;

- income and expenses 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 dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of other comprehensive income.

(q) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into on or after the date of initial application of HKFRS 16 *Lease*, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as lessee

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases that has a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, 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.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

3. Material accounting policy information (cont'd)

(q) Leases (cont'd)

Right-of-use assets (cont'd)

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

(r) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Share-based payment transactions

The Group operates an equity-settled share option scheme. Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

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

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

3. Material accounting policy information (cont'd)

(t) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving disposal of an investment in an associate, the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment is classified as held for sale.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses.

(v) Related parties

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

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (v)(a) above;

(vii) a person identified in (v)(a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

4. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(a) Deferred taxes

Deferred tax assets relating to certain temporary differences and tax losses are recognised when the management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Impairment of non-financial assets

The Group has to exercise judgement in determining whether an non-financial asset is impaired or the event previously causing the asset impairment no longer exists, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of a non-financial asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

(c) Investment funds managed by the Group

The Group holds a certain degree of direct interest in one of the funds managed by the Group. When determining whether the Group controls the fund, usually the level of aggregate economic interests of the Group in the fund, fund manager's scope of decision-making rights and the level of investors' rights to remove the investment manager will be taken into consideration.

In accordance with HKFRS 10, an investor controls an investee if and only if the investor has all of the following elements: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; (c) the ability to use its power over the investee to affect the amount of the investor's returns. In assessing whether power is present, the Group will not have power over the fund if the fund manager can be removed at any time. As regards variable returns, all economic interests arising from the funds, including the extent of direct interest in these funds, regular management fee charged and performance fee obtained will be taken into consideration in assessing whether the Group expose, or have rights, to significant variable returns from its involvement with the investee.

The financials of the funds managed by the Group were not consolidated into the Group's financials because the Group does not have control over these funds taken into account of all the aforementioned elements in accordance with HKFRS 10.

5. Segment information

Information reported to the executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on revenue for each type of services provided. CODM considers the business from service perspectives whereby assesses the performance of the services based on revenue generated in the course of the ordinary activities of a recurring nature of the Group.

During the year, the Group commenced the business engaging in derivative trading and it is considered as a new operating and reportable segment by the CODM. However, the transactions and amounts involved for the current year are immaterial and does not met the quantitative thresholds for the reportable segments in the current year. Accordingly, it is grouped in the segment of asset management and consultancy service.

CODM considers the business of the Group as a whole as the Group is primarily engaged in asset management service and consultancy service, however no discrete financial information is available for identifying operating segments among different services, therefore no further analysis of segment information is presented.

5. Segment information (cont'd)

(a) Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations in Hong Kong. In order to maximise trading opportunities in different stock markets around the world, the Group also has trading offices in Chicago and The Netherlands.

Geographical information of revenue during the year based on the location of the operations is as follows:

	2023 **HK$'000**	2022 HK$'000
Hong Kong	**9,664**	36,306
Chicago	**3,625**	8,487
	13,289	44,793

Information about the Group's non-current assets is presented based on the geographical location of the assets.

	2023 **HK$'000**	2022 HK$'000
Hong Kong	**–**	3,560
The People's Republic of China	**–**	36
The United States	**–**	976
The Netherlands	**–**	1,367
Singapore	**–**	559
The United Kingdom	**–**	37
	–	6,535

Note: Non-current assets excluded financial instruments, deferred tax assets, and investments in associates.

(b) Information about major customers

During the year, revenue from major customers who contributed over 10% of the total revenue of the Group are as follows:

	2023 **HK$'000**	2022 HK$'000
Customer A	**7,264**	15,885
Customer B	**–**	15,183
Customer C	**2,025**	6,638
Customer D	**1,509**	N/A[(1)]
Customer E	**1,600**	N/A[(1)]

(1) The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. Revenue and other income

Revenue

	2023	2022
	HK$'000	*HK$'000*
Fee income from funds and managed accounts		
Management fee income	**12,387**	44,100
Performance fee income	**11**	6
	12,398	44,106
Fee income from consultancy services	**873**	687
	13,271	44,793
Other source:		
Net gain on derivatives	**18**	–
Total revenue	**13,289**	44,793

Timing of revenue recognition:

	2023	2022
	HK$'000	*HK$'000*
At a point in time	**873**	687
Over time	**12,398**	44,106
	13,271	44,793

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as of the end of the reporting period has not been disclosed because either of the following conditions is met: (i) as those performance obligations are part of customer contracts that have original expected duration of one year or less; or (ii) the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

6. Revenue and other income (cont'd)

Other income

	2023 HK$'000	2022 HK$'000
Interest income	**507**	15
Dividends from financial assets at FVPL	**247**	492
Sundry income	**9**	9
Redemption cost charged to customers	**457**	–
	1,220	516

7. Finance costs

	2023 HK$'000	2022 HK$'000
Interest on lease liabilities	**122**	144
Interest on bank overdrafts	**–**	38
	122	182

8. Loss before income tax

	2023 HK$'000	2022 HK$'000
Loss before income tax is arrived at after charging:		
Amortisation of intangible assets	**289**	293
Auditor's remuneration	**1,137**	1,195
Depreciation of plant and equipment	**1,569**	1,532
Depreciation of right-of-use assets	**1,348**	1,713
Impairment loss of non-financial assets included in general and administrative expenses	**4,012**	–
Employee benefits (including directors' remuneration)		
- Salaries and other benefits (Note a)	**44,220**	42,137
- Equity-settled share-based payment expense	**–**	1,620
- Pension scheme contributions (Note b)	**1,665**	1,437
	45,885	45,194
Exchange loss	**65**	102
Management fee expenses recognised as direct cost	**1,602**	3,398
Short-term lease expenses	**1,924**	840

Note a: For the year ended 31 December 2022, Covid-19 related government grants amounted to HK$304,000 have been offset against employee benefits expense.

8. Loss before income tax (cont'd)

Note b: During the years ended 31 December 2023 and 2022, there were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contributions, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2023 and 2022, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contribution.

9. Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Fees HK$'000	*Salaries and allowances HK$'000*	*Pension scheme contributions HK$'000*	*Discretionary bonus HK$'000*	*Total HK$'000*
Year ended 31 December 2023					
Executive directors:					
Mr. Van Put	**–**	**5,282**	**–**	**–**	**5,282**
Mr. Heijboer	**–**	**4,929**	**18**	**–**	**4,947**
Mr. Hekster	**–**	**5,111**	**145**	**–**	**5,256**
Mr. Van Bakel	**–**	**2,385**	**–**	**–**	**2,385**
Independent non-executive directors:					
Mr. Jeronimus Mattheus Tielman	**427**	**–**	**–**	**–**	**427**
Ms. Wan Ting Pai	**427**	**–**	**–**	**–**	**427**
Mr. Ming Tak Ngai	**427**	**–**	**–**	**–**	**427**
	1,281	**17,707**	**163**	**–**	**19,151**
Year ended 31 December 2022					
Executive directors:					
Mr. Van Put	–	4,842	12	–	4,854
Mr. Heijboer	–	4,622	18	–	4,640
Mr. Hekster	–	4,312	137	–	4,449
Mr. Van Bakel	–	2,234	–	–	2,234
Independent non-executive directors:					
Mr. Jeronimus Mattheus Tielman	406	–	–	–	406
Ms. Wan Ting Pai	406	–	–	–	406
Mr. Ming Tak Ngai	406	–	–	–	406
	1,218	16,010	167	–	17,395

9. Directors' remuneration (cont'd)

Four executive directors received US$1 each of directors' fee for the years ended 31 December 2023 and 2022.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

For the years ended 31 December 2023 and 2022, no emoluments was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

10. Five highest paid employees

The five highest paid individuals during the year are as follows:

	Number of individuals	
	2023	*2022*
Director	**4**	4
Non-director	**1**	1
	5	5

Details of the directors' remuneration are set out in Note 9 above.

Details of the remuneration of the remaining highest paid non-director individual are as follows:

	2023 ***HK$'000***	*2022* *HK$'000*
Salaries, allowances and other benefits	**3,686**	3,415
Discretionary bonus	**–**	1,416
	3,686	4,831

11. Income tax expense/(credit)

(a) Income tax expense/(credit) for the year represents:

	2023	2022
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**215**	213
Over-provision in prior year	**(12)**	(30)
Deferred tax – Note 31		
Current year	**1,253**	(1,253)
	1,456	(1,070)

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the group entities are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

For the group entities that are domiciled and operate in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both years, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the group entities that are domiciled and operate in the United States, they are subject to corporate income tax in the United States. The applicable federal income tax rate is 21% on taxable income and the applicable state income tax rate is 9.5% on State taxable income. No tax provision has been made on these group entities as there is no estimated taxable profits for both years.

For the group entities that are domiciled and operate in the Netherlands, they are subject to corporate tax rate of 19%(2022: 15%) on taxable profits up to EUR200,000 (2022: EUR395,000). The corporate income tax rate is 25.8% for the taxable profits exceeding EUR200,000 (2022: 25.8% for the taxable profits exceeding EUR395,000). No tax provision has been made on these group entities as there is no estimated taxable profits for both years.

For the group entity that is domiciled and operate in Singapore, it is subject to corporate tax rate of 17% on taxable profits. No tax provision has been made on this group entity as there is no estimated taxable profits for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years. No tax provision has been made on this group entity as there is no estimated taxable profits for both years.

11. Income tax expense/(credit) (cont'd)

(b) Income tax expense/(credit) for the year can be reconciled to the loss before income tax as follows:

	2023 **HK$'000**	2022 HK$'000
Loss before income tax	**(65,545)**	(34,578)
Tax effect at the profits tax rate of 16.5%	**(10,815)**	(5,705)
Tax effect of income that is not taxable	**125**	(186)
Tax effect of expense that is not deductible	**536**	788
Tax effect of unrecognised temporary differences	**207**	(53)
Tax effect of unrecognised tax losses	**12,985**	5,029
Utilisation of tax losses previously not recognised	**(92)**	–
Tax concession	**(165)**	(156)
Over provision in prior year	**(12)**	(30)
Effect of tax rates in foreign jurisdictions	**(1,248)**	(800)
Others	**(65)**	43
Income tax expense/(credit)	**1,456**	(1,070)

(ii) Taxable temporary difference has not been recognised in these consolidated financial statements owing to immateriality.

12. Dividend

No dividend was paid or proposed during the year ended 31 December 2023 nor has any dividend been proposed since the end of the reporting period (2022: Nil).

13. Loss per share

The calculation of the basic and diluted loss per share amount is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 400,000,000 (2022: 400,000,000) shares in issue during the year.

The calculations of the basic and diluted loss per share are based on the following data:

	2023	*2022*
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to the owners of the Company	**(67,001)**	(33,636)
Number of shares	***2023***	*2022*
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**400,000,000**	400,000,000

Note:

Diluted loss per share for the year ended 31 December 2023 and 2022 is the same as the basic loss per share as there were no potential ordinary shares in issue as at 31 December 2023 and the effect of the conversion of the Company's share options would result in an antidilutive effect on the loss per share in 2022.

14. Plant and equipment

	Furniture and fixtures HK$'000	Computer equipment HK$'000	Office equipment HK$'000	Leasehold improve-ments HK$'000	Total HK$'000
Cost:					
At 1.1.2022	613	6,929	77	1,396	9,015
Additions	3	1,375	11	–	1,389
Exchange alignment	(7)	(67)	–	–	(74)
At 31.12.2022 and 1.1.2023	609	8,237	88	1,396	10,330
Additions	54	514	38	–	606
Exchange alignment	4	63	–	–	67
At 31.12.2023	667	8,814	126	1,396	11,003
Accumulated depreciation and impairment:					
At 1.1.2022	473	3,930	74	1,268	5,745
Charge for the year	45	1,355	4	128	1,532
Exchange alignment	(1)	(3)	–	–	(4)
At 31.12.2022 and 1.1.2023	517	5,282	78	1,396	7,273
Charge for the year	44	1,511	14	–	1,569
Impairment loss recognised in profit or loss	105	1,999	34	–	2,138
Exchange alignment	1	22	–	–	23
At 31.12.2023	**662**	**8,814**	**126**	**1,396**	**11,003**
Net carrying value:					
At 31.12.2023	**–**	**–**	**–**	**–**	**–**
At 31.12.2022	92	2,955	10	–	3,057

14. Plant and equipment (cont'd)

As at 31 December 2023, based on the business forecast performed by the management, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment, right-of-use assets and intangible assets with finite useful lives with carrying amounts of HK$2,138,000, HK$1,604,000 and HK$270,000 respectively.

The Group estimates the recoverable amount of the single cash-generating unit to which these assets belong as it is not possible to estimate the recoverable amount individually.

The recoverable amount of cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 3 years with a pre-tax discount rate of 14.85% as at 31 December 2023. Another key assumption for the value in use calculated is the budgeted revenue, which is determined based on the CGU' past performance and management expectations for the market development.

Based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives such that the carrying amount of each category of asset is not reduced below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, impairment loss of HK$2,138,000, HK$1,604,000 and HK$270,000 has been recognised against the carrying amount of property, plant and equipment, right-of-use assets and intangible assets with finite useful lives respectively within the relevant functions to which these assets relate.

15. Right-of-use assets

	Office premise HK$'000
Depreciation charge:	
For the year ended 31.12.2023	1,348
For the year ended 31.12.2022	1,713
Impairment loss:	
For the year ended 31.12.2023	1,604
Net carrying value:	
At 31.12.2023	**–**
At 31.12.2022	2,946

During the year, additions to right-of-use assets were HK$Nil (2022: HK$3,850,000). Expense relating to short-term leases was HK$1,924,000 (2022: HK$840,000).

The Group leases various offices for its operations. Lease contracts are entered into for fixed term of one month to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group is not allowed to sublet the premise unless prior approval is given by the landlord in writing.

An impairment loss of HK$1,604,000 (2022: Nil) is recognised. Details are set out in note 14 to the consolidated financial statements.

16. Intangible assets

Cost:	Cost of self-developed software HK$'000	Software HK$'000	Total HK$'000
At 1.1.2022	3,212	1,039	4,251
Exchange alignment	–	(18)	(18)
At 31.12.2022 and 1.1.2023	3,212	1,021	4,233
Addition	–	18	18
Exchange alignment	–	13	13
At 31.12.2023	**3,212**	**1,052**	**4,264**
Accumulated amortisation and impairment:			
At 1.1.2022	3,212	196	3,408
Charge for the year	–	293	293
At 31.12.2022 and 1.1.2023	3,212	489	3,701
Charge for the year	–	289	289
Impairment recognised in profit or loss	–	270	270
Exchange alignment	–	4	4
At 31.12.2023	**3,212**	**1,052**	**4,264**
Accumulated impairment:			
Net carrying value:			
At 31.12.2023	**–**	**–**	**–**
At 31.12.2022	–	532	532

An impairment loss of HK$270,000 (2022: Nil) is recognised for the software. Details are set out in note 14 to the consolidated financial statements.

17. Investments in associates

	2023 HK$'000	2022 HK$'000
Cost of unlisted investments in associates	**7,808**	8,015
Share of post-acquisition results	**(1,486)**	(1,019)
Gain on dilution of interest in an associate – (c)	**90**	90
Accumulated impairment loss	**(4,520)**	(4,520)
Exchange realignment	**(28)**	28
	1,864	2,594

Notes:

(a) As at the end of the reporting period, the Group had interests in the following associates established and operating in the People's Republic of China.

Name of associates	*Registered capital*	*Percentage of ownership interest held directly by the Group* 2023	2022	*Principal activities*
群益志投科技(成都)有限公司 (Capital True Partner Technology Co., Ltd.)	RMB1,000,000	**49% (note 17(b))**	49%	Provision of IT software development services
浙江紅藍牧投資管理有限公司 (Holland & Muh Investment Management Co., Ltd.) — (c)	RMB10,000,000	**25%**	25%	Providing investment management services

(b) On 25 August 2023, a wholly-owned subsidiary of the Company and a third party entered into the Disposal Agreement, pursuant to which the subsidiary agreed to sell, and the third party agreed to purchase the Disposal Shares (representing 49% of equity interest in the associate) at the consideration of US$79,477 (equivalent to approximately HK$615,947). It is contemplated that approval letters are required to be obtained from the Financial Supervisory Commission and the Ministry of Economic Affairs Investment Commission in Taiwan. As at 31 December 2023, this transaction is not complete and pending for government approval which is expected in a year from the end of the reporting period. The associate is reclassified as assets held for sale accordingly. As at 31 December 2023, the carrying amount of HK$470,000 is higher than the proceeds, no impairment indication.

(c) During the year ended 31 December 2021, Holland & Muh Investment Management Co., Ltd. ("Holland & Muh") issued and registered new shares to certain investors. Consequently, the Group's interest in Holland & Muh was diluted from 30% to 25%. The difference between (1) the decrease in the carrying value of the Group's interest in Holland & Muh resulting from the decrease in shareholding; and (2) the Group's share of the proceeds received for the new shares issued resulted in a dilution gain of approximately HK$90,000 and was recognised in profit or loss for the year ended 31 December 2021.

17. Investments in associates (cont'd)

(d) Summarised financial information of associates:

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

	Capital True Partner Technology Co., Ltd. HK$'000	Holland & Muh Investment Management Co., Ltd. HK$'000
As at 31 December 2023		
Gross amounts of the associates		
Current assets	–	6,980
Non-current assets	–	7
Current liabilities	–	72
Net assets	–	6,915
For the year ended 31 December 2023		
Revenue	8,436	2,333
Profit/(Loss) and total comprehensive income/(loss) for the year	440	(1,685)

	Capital True Partner Technology Co., Ltd. HK$'000	Holland & Muh Investment Management Co., Ltd. HK$'000
As at 31 December 2022		
Gross amounts of the associates		
Current assets	1,193	8,868
Non-current assets	905	–
Current liabilities	584	30
Non-current liabilities	394	–
Net assets	1,120	8,838
For the year ended 31 December 2022		
Revenue	5,964	433
Loss for the year	(205)	(2,256)
Other comprehensive income	–	–
Total comprehensive loss for the year	(205)	(2,248)

18. Financial assets/liabilities at fair value through profit or loss

	2023 HK$'000	2022 HK$'000
Non-current assets		
Investment in an unlisted investment fund – Note 18(a)	**16,759**	16,751
Investment in an unlisted bond fund – Note 18(b)	**–**	10,635
	16,759	27,386
Current assets		
Long position with the derivatives listed in China	**839**	–
Current liabilities		
Short position with the underlying equity securities listed in Hong Kong	**1**	1
Short position with the derivatives listed in China	**306**	–
	307	1

Notes:

(a) The investment fund, True Partner Fund, is managed by True Partner Advisor Limited, a subsidiary of the Company.

(b) On 15 September 2022, the Group entered into a subscription agreement for subscription of RMB10 million (equivalent to approximately HK$11.5 million) of Nanhua Reli Bond Fund A (the "Fund"). The subscription was completed on 16 September 2022, a fair value loss of RMB0.6 million (equivalent to approximately HK$0.67 million was recognised during the year ended 31 December 2022). During the year, the Group redeemed the entire Fund with amount of RMB9.6 million (equivalent to approximately HK$10.3 million). A gain on disposal of HK$53,000 is recognised in the profit or loss included in "net gain/(loss) on financial assets at fair value through profit or loss accordingly.

Notional amount of the options/futures are as follows:

31 December 2023

	RMB
Notional amount	
Long options	21,013,500
Short options	31,116,250

	RMB
Long futures	7,181,360
Short futures	14,023,620

The exchange listed option and futures contracts are classified as held for trading. Fair value was determined based on the daily exchange settlement prices of the last trading day as determined by the relevant exchange based on the daily quotes for each of the options and futures contracts, all of which are actively quoted on the relevant exchange. During the year, the gain on unrealised and realised change in fair value of options and futures contracts amounting to approximately HK$18,000 (2022: nil) was recognised in the Group's "Revenue – net gain on derivatives".

19. Accounts receivable

	2023 HK$'000	2022 HK$'000
Consultancy service fee receivable	**264**	372
Management fee receivable	**1,463**	4,793
Performance fee receivable	**11**	–
	1,738	5,165

Notes:

(a) The ageing analysis of accounts receivable, based on the transaction date, is as follows:

	2023 HK$'000	2022 HK$'000
Less than 30 days	**1,738**	5,048
Over 90 days but less than 1 year	**–**	117
	1,738	5,165

(b) The ageing analysis of accounts receivable, based on the due date, is as follows:

	2023 HK$'000	2022 HK$'000
Not past due	**1,738**	5,048
Over 90 days but less than 1 year	**–**	117
	1,738	5,165

20. Other receivables

	2023 HK$'000	2022 HK$'000
Deposits	**3,042**	910
Other receivables	**1,672**	1,612
Prepayments	**2,133**	2,500
	6,847	5,022

21. Cash and cash equivalents

Cash and cash equivalents consist entirely of cash on hand and balance with banks.

22. Accruals and other payables

	2023	2022
	HK$'000	HK$'000
Accrued employee benefits	**4,856**	4,604
Accrued expenses	**3,355**	3,250
Other payables	**121**	1,031
	8,332	8,885

23. Lease liabilities

	2023	2022
	HK$'000	HK$'000
Lease liabilities payable		
Within one year	**1,367**	1,338
In the second year	**353**	1,367
In the third to fifth year inclusive	**–**	353
	1,720	3,058
Less: Amounts due within one year shown under current liabilities	**(1,367)**	(1,338)
Amounts shown under non-current liabilities	**353**	1,720

The total cash outflow for leases for the year ended 31 December 2023 was HK$3,384,000 (2022: HK$2,637,000).

The weighted average incremental borrowing rates applied to lease liabilities range from 4% to 5% (2022: 4% to 5%).

24. Share-based payment transactions

Share option scheme

The Pre-IPO Share Option Scheme ("**the Scheme**") was conditionally adopted pursuant to the written resolutions of all shareholders passed on 13 February 2020. The purpose of the Scheme is to recognise and acknowledge the contributions made by certain employees of the Group to the growth of the Group by granting options to them as rewards and further incentives. The Scheme is conditional on the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the shares of the Company which may be issued pursuant to the exercise of options grant under the Scheme. All options were granted on 14 February 2020 with a two years of vesting period.

The Scheme was valid and effective for a period of 2 years commencing on 16 October 2020, the date that the shares of the Company are listed on the Stock Exchange (the "**Listing Date**"). Such Scheme was expired on 16 October 2022.

At 31 December 2022, options to subscribe for an aggregate of 7,947,488 ordinary shares representing not more than 1.99% of the total issued share capital of the Company were granted under the Scheme. The maximum number of shares issuable under share options to each grantee did not exceed 1% of the shares of the Company in issue. No further options was offered or granted under the Scheme. A total of 12 employees had been granted options under the Scheme. HK$1 was given by each of the grantees as the consideration for the share options. The vesting date of the options was the second anniversary of the Listing Date. Each option granted under the Scheme was exercisable for a period of six months after the vesting date and the exercise price was HK$0.7 per share option. No option was exercised before expiry date.

24. Share-based payment transactions (cont'd)

Share option scheme (cont'd)

Details of the movements of the share options granted pursuant to the Scheme during the year are as follows:

	Number of share options	
	2023	2022
Outstanding at beginning of the year	**7,947,488**	7,947,488
Lapsed during the year	**(7,947,488)**	–
	–	7,947,488
Exercisable at the end of the year	**–**	7,947,488

The fair value of the share option granted under the Scheme was approximately HK$4,641,000. During the year, no equity-settled share-based payment expense was recognised (2022: HK$1,620,000) in profit or loss with the corresponding amount being recognised in share option reserve in equity.

The fair value of the share options granted was estimated as at the Listing Date, i.e. 16 October 2020, using binomial option pricing model taking into account the terms and conditions which the share options were granted. The following principal assumptions were used in the valuation:

Risk free rate	0.51%
Option period	2 years
Expected volatility	53.15%
Dividend yield	0%

25. Share capital

	Number of shares	Share capital HK$000	Share premium HK$000	Total HK$'000
Authorised:				
Ordinary shares of HK$0.01 each				
At 1.1.2022, 31.12.2022, 1.1.2023 and 31.12.2023	**10,000,000,000**	**100,000**		
Issued and fully paid:				
At 1.1.2022, 31.12.2022, 1.1.2023 and 31.12.2023	**400,000,000**	**4,000**	**153,074**	**157,074**

26. Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth.

The capital structure of the Group consists of equity attributable to owners of the Company (comprising issued share capital and reserves).

The Group's capital structure is actively and regularly reviewed and managed by the Directors of the Company. Adjustments are made to the capital structure such as to issue new shares or to adjust dividend payment to shareholders in light of changes in economic conditions affecting the Group. The Group's overall strategy remains unchanged throughout the year.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes accruals and other payables, financial liabilities at fair value through profit or loss, lease liabilities and tax payable, net of cash and cash equivalents. Capital includes equity attributable to owners of the Company.

	2023	*2022*
	HK$'000	*HK$'000*
Accruals and other payables	**8,332**	8,885
Financial liabilities at fair value through profit or loss	**307**	1
Lease liabilities	**1,720**	3,058
Tax payable	**59**	–
Less: cash and cash equivalents	**(66,048)**	(122,710)
	(55,630)	(110,766)

As at 31 December 2023 and 2022, the Group had net cash and accordingly, no gearing ratios were presented.

One of the subsidiaries of the Company are registered with Hong Kong Securities and Futures Commission ("**Regulated Subsidiary**") and are subject to liquid capital requirements under Hong Kong Securities and Futures (Financial Resources) Rules ("**SF(FR)R**") of the Hong Kong Securities and Futures Ordinance ("**SFO**"). Under the SF(FR)R, the subsidiary must maintain its liquid capital (assets and liabilities adjusted as determined by SF(FR)R) in excess of HK$100,000 or 5% of their total adjusted liabilities, whichever is higher. Other than this, the Regulated Subsidiary is not subject to any externally imposed capital requirements. The Directors closely monitor, on a daily basis, the liquid capital level to ensure compliance with the liquid capital requirements under SF(FR)R. This externally imposed capital requirement has been complied with by the Regulated Subsidiary during the year.

27. Reserves

The amount of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity.

28. Related party transactions

(a) In addition to the related party information disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions with its related parties during the year:

Name of related parties	*Nature of transactions*	*Note*	***2023 HK$'000***	*2022 HK$'000*
True Partner Fund ("**TPF**")	Management and performance fee income	(i), (ii)	**7,264**	15,885
True Partner Volatility Fund ("**TPVF**")	Management and performance fee income	(i), (iii)	**1,509**	2,708

(i) A Director of the Company is a member of key management personnel of these funds.

(ii) For the year ended 31 December 2023, included in the management fee income from TPF is an amount of HK$287,000 (2022: HK$341,000) attributable to the investments in TPF held by True Partner Advisor Limited, a subsidiary of the Company.

(iii) For the year ended 31 December 2023, included in the management fee income from TPVF is an amount of HK$85,000 (2022: HK$93,000) attributable to the investments in TPVF held by a Director of the Company.

(b) Compensation of key management personnel

	2023 HK$'000	*2022 HK$'000*
Short-term employee benefits	**18,990**	17,227
Pension scheme contributions	**163**	167
	19,153	17,394

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors are considered as key management personnel of the Group.

(c) As disclosed in Notes 17 to the consolidated financial statements, on 11 November 2021, a wholly owned subsidiary of the Company – True Partner Holding Limited ("**TPH**") entered into a disposal agreement, pursuant to which TPH agreed to sell, and Capital Futures Corp. ("**CFC**") agreed to purchase the financial assets at FVOCI. CFC held 49% of equity interest in True Partner Advisor Hong Kong Limited ("**TPAHK**"). On the same date, a wholly owned subsidiary of the Company – True Partner Advisor Limited ("**TPA**") entered into an acquisition agreement, pursuant to which CFC agreed to sell, and TPA agreed to purchase 49% of equity interest in TPAHK. The acquisition was completed on 15 February 2022. Upon completion, TPAHK became a wholly owned subsidiary of TPA. For more information on the acquisition, please refer to the Company's announcements dated 11 November 2021, 15 November 2021 and 15 February 2022 respectively.

29. Reconciliation of liabilities arising from financing activities

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

	Lease liabilities HK$'000
At 1.1.2022	874
Changes from financing cash flows:	
Principal element of lease rentals payment	(1,653)
Interest paid	(144)
	(1,797)
Other changes:	
Increase in lease liabilities from entering into new leases	3,850
Exchange alignment	(13)
Interest expense	144
At 31.12.2022 and 1.1.2023	3,058
Changes from financing cash flow:	
Principal element of lease rentals payment	(1,338)
Interest paid	(122)
	(1,460)
Other changes:	
Interest expense	122
	122
At 31.12.2023	**1,720**

30. Financial instruments

(a) Categories of financial instruments

At 31 December 2023

	Financial assets			
	Financial assets at amortised cost HK$'000	***Financial assets at fair value through profit or loss HK$'000***	***Derivatives HK$'000***	***Total HK$'000***
Derivative financial assets	**–**	**–**	**839**	**839**
Financial assets at FVPL	**–**	**16,759**	**–**	**16,759**
Accounts receivable	**1,738**	**–**	**–**	**1,738**
Other receivables	**4,714**	**–**	**–**	**4,714**
Deposits placed with brokers	**8,921**	**–**	**–**	**8,921**
Fixed bank deposit	**418**	**–**	**–**	**418**
Cash and cash equivalents	**66,048**	**–**	**–**	**66,048**
	81,839	**16,759**	**839**	**99,437**

	Financial liabilities			
	Financial liabilities at amortised cost HK$'000	***Financial liabilities at fair value through profit or loss HK$'000***	***Derivatives HK$'000***	***Total HK$'000***
Derivative financial liabilities	**–**	**–**	**306**	**306**
Accruals and other payables	**8,332**	**–**	**–**	**8,332**
Financial liabilities at FVPL	**–**	**1**	**–**	**1**
Lease liabilities	**1,720**	**–**	**–**	**1,720**
	10,052	**1**	**306**	**10,359**

30. Financial instruments (cont'd)

(a) Categories of financial instruments (cont'd)

At 31 December 2022

	Financial assets		
	Financial assets at amortised cost HK$'000	Financial assets at fair value through profit or loss HK$'000	Total HK$'000
Financial assets at FVPL	–	27,386	27,386
Accounts receivable	5,165	–	5,165
Other receivables	2,522	–	2,522
Deposits placed with brokers	595	–	595
Cash and cash equivalents	122,710	–	122,710
	130,992	27,386	158,378

	Financial liabilities		
	Financial liabilities at amortised cost HK$'000	Financial liabilities at fair value through profit or loss HK$'000	Total HK$'000
Accruals and other payables	8,885	–	8,885
Financial liabilities at FVPL	–	1	1
Lease liabilities	3,058	–	3,058
	11,943	1	11,944

30. Financial instruments (cont'd)

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVPL, accounts receivable, other receivables, deposits placed with brokers, fixed bank deposits, cash and cash equivalents, accruals and other payables, financial liabilities at FVPL derivatives and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The table below summaries the Group's financial assets and financial liabilities exposed to currency risk as at 31 December 2022.

	2023	*2022*
	HK$'000	*HK$'000*
Financial assets denominated in foreign currencies:		
Account and other receivables	**1**	2
Derivative financial assets	**839**	–
Deposits placed with brokers	**8,833**	481
Cash and bank balances	**32,368**	33,418
Financial liabilities denominated in foreign currencies:		
Accruals and other payables	**(1,107)**	(589)
Derivative financial liabilities	**(306)**	–
Net financial assets exposed to currency risk	**40,628**	33,312

30. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Currency risk (cont'd)

The Group's financial assets and liabilities exposed to currency risk were denominated in the following currencies:

	2023 **HK$'000**	2022 HK$'000
United States dollar ("USD")	**17,413**	26,937
Hong Kong dollar	**3,495**	2,259
Chinese Yuan Renminbi	**19,521**	450
SWISS Franc	**22**	20
Euro	**208**	3,763
Pound Sterling	**(31)**	(99)
Singapore dollar	**–**	(18)
	40,628	33,312

Since Hong Kong dollar is pegged to United States dollar, material fluctuations in the exchange rates of Hong Kong dollar against United States dollar are remote. Accordingly, the sensitivity analysis below excluded USD.

Should the functional currency of the group entities as at 31 December 2023 devalue by 10% against other foreign currencies, the Group's carrying amount of net financial assets and the Group's equity at 31 December 2023 would decrease by approximately HK$2,321,000 (2022: HK$592,000), loss before income tax for the year would increase by the exact amount.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's cash flow interest rate risk arises primarily from variable-rate bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

No sensitivity analysis is presented as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balance is insignificant.

30. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Other price risk

The Group is exposed to equity price changes arising from its investment in equity securities and unlisted bond fund measured at FVPL. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period. A 10% change represents the management's assessment of a reasonably possible change in equity price.

If equity prices had been 10% higher/lower, with other variables held constant, the Group's post-tax loss for the year ended 31 December 2023 would decrease/increase by HK$1,676,000 (2022: HK$2,785,000). This is mainly due to the changes in fair value of held-for-trading financial assets at fair value through profit or loss.

Credit risk management

As at 31 December 2023 and 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company closely monitor the overall level of credit exposure, and the management is responsible for the determination of credit approvals and monitoring the implementation of the debt collection procedure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate loss allowances are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk has been significantly reduced.

Fixed bank deposits/cash and cash equivalents

The credit risk on fixed bank deposits and cash and cash equivalents is limited because the counterparties are banks with good reputation or high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on cash and cash equivalents which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

30. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Accounts receivable

In respect of accounts receivable, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payment when due and adjusted for forward-looking factors specific to the customers and the economic environment which could affect customers' ability to pay, and take into account information specific to the customer. The Group does not obtain collateral from customers. The Group expects there are insignificant ECLs on accounts receivable following the credit evaluation of the customers and their repayment history.

Other receivables and deposits placed with brokers

The Group measures the loss allowance equal to 12-month ECL of other receivables and deposits placed with brokers. For those balances expected to have significant increase in credit risk since initial recognition, the Group applies lifetime ECL based on aging for classes with different credit risk characteristics and exposures.

The management believes that there has been no significant increase in credit risk since initial recognition.

For the year ended 31 December 2023 and 2022, the Group assessed the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

For deposits placed with brokers, which are bank and financial institutions with good reputation or high credit ratings assigned by international credit-rating agencies, the management assessed the credit risk is limited.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the directors of the Company, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

30. Financial instruments (cont'd)

(b) Financial risk management objectives and policies (cont'd)

Liquidity table

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments.

The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

	On demand or within one year HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but not exceeding 5 years HK$'000	Total undiscounted cash flows bonus HK$'000	Carrying amount HK$'000
At 31 December 2023					
Accruals and other payables	**8,332**	**–**	**–**	**8,332**	**8,332**
Financial liabilities at FVPL	**1**	**–**	**–**	**1**	**1**
Derivative financial liabilities	**306**	**–**	**–**	**306**	**306**
Lease liabilities	**1,422**	**356**	**–**	**1,778**	**1,720**
	10,061	**356**	**–**	**10,417**	**10,359**
At 31 December 2022					
Accruals and other payables	8,885	–	–	8,885	8,885
Financial liabilities at FVPL	1	–	–	1	1
Lease liabilities	1,459	1,422	355	3,236	3,058
	10,345	1,422	355	12,122	11,944

30. Financial instruments (cont'd)

(c) Fair value measurements of financial instruments

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

(ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 – unobservable inputs for the asset or liability.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis:

	2023			
	Level 1 HK$'000	***Level 2 HK$'000***	***Level 3 HK$'000***	***Total HK$'000***
Financial assets				
Financial assets at FVPL				
– Unlisted investment fund	**–**	**16,759**	**–**	**16,759**
Derivative financial assets	**839**	**–**	**–**	**839**
Financial liabilities				
Derivative financial liabilities	**1**	**–**	**–**	**1**
Financial liabilities at fair value through profit or loss				
– Short position	**306**	**–**	**–**	**306**

	2022			
	Level 1 HK$'000	*Level 2 HK$'000*	*Level 3 HK$'000*	*Total HK$'000*
Financial assets				
Financial assets at FVPL				
– Unlisted investment fund	–	16,751	–	16,751
– Unlisted bond fund	–	10,635	–	10,635
Financial liabilities				
Financial liabilities at fair value through profit or loss				
– Short position	1	–	–	1

30. Financial instruments (cont'd)

(c) Fair value measurements of financial instruments (cont'd)

The following table presents the changes in Level 3 of financial instruments during the year.

	2023 **HK$'000**	2022 HK$'000
Unlisted shares		
At beginning of the year	**–**	3,707
Changes in fair value recognised in other comprehensive income	**–**	2,909
Disposal of unlisted shares	**–**	(6,616)
At end of the year	**–**	–

The fair values of investments in unlisted investment fund 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 is available and rely as little as possible on entity specific estimates.

The underlying investments held by the unlisted investment fund include active listed equities and exchange traded derivatives, which are classified within Level 1. The fair value of the unlisted investment fund is stated with reference to the net asset value provided by the relevant administrator of the investment fund, which is measured with reference to market values of the underlying investments in listed equity securities and derivatives, adjusted for balances of other financial instruments.

The management considers the carrying amounts of all other financial assets and liabilities approximate their fair values.

31. Deferred tax asset

The following is the deferred tax asset recognised and movements thereon during the current and prior year:

	Tax losses *HK$'000*
At 1 January 2022	–
Credit to profit or loss	(1,253)
At 31 December 2022 and 1 January 2023	(1,253)
Charged to profit or loss	1,253
	–

The components of unrecognised deductible/(taxable) temporary differences are as follows:

	2023 ***HK$'000***	*2022* *HK$'000*
Deductible temporary differences		
Unutilised tax loss	**137,161**	62,778
Decelerated depreciation allowances	**2,328**	1,171
	139,489	63,949
Taxable temporary difference		
Accelerated depreciation allowances	**(602)**	(1,225)
Net deductible temporary difference	**138,887**	62,724

31. Deferred tax asset (cont'd)

At the end of the reporting period, the Group has tax losses arising in Hong Kong of HK$30,430,000 (2022: HK$25,800,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in the People's Republic of China of HK$1,115,000 (2022: HK$594,000) that will expire in one to five years for offsetting against future taxable profits. The remaining tax losses may be carried forward indefinitely.

No deferred tax asset has been recognized in respect of these temporary differences due to the unpredictability of future profit streams.

32. Statements of financial position of the Company

	2023 HK$'000	*2022 HK$'000*
Non-current asset		
Investments in subsidiaries	**94,486**	32,486
Current assets		
Other receivables	**418**	70,639
Cash and cash equivalents	**1,170**	30,506
	1,588	101,145
Current liability		
Accruals and other payables	**662**	791
Net current assets	**926**	100,354
Net assets	**95,412**	132,840
Representing:		
Share capital	**157,074**	157,074
Reserves	**(61,662)**	(24,234)
Total equity	**95,412**	132,840

33. Particulars of principal subsidiaries of the Company

Particulars of the Company's principal subsidiaries are as follows:

Name of subsidiary	***Principal place of incorporation and operation***	***Issued and fully paid-up capital/ registered capital***	***Percentage of equity interest attributable to the Company***		***Principal activities***
			2023	*2022*	
True Partner Holding Limited	Hong Kong	HK$122,643,260 (2022: HK$27,643,260)	**100%**	100%	Investment holding and provision of management services
True Partner Capital China Holding Limited – Note (a))	People's Republic of China	RMB3,500,000	**100%**	100%	Providing business consultancy services
T8 Software Consulting Limited	Hong Kong	HK$1	**100%**	100%	Software sublicence and providing consultancy services
True Partner Advisor Limited	The Cayman Islands	US$5,900,100 (2022: US$12,001)	**100%**	100%	Acting as an investment manager
True Partner Advisor Hong Kong Limited	Hong Kong	HK$500,000	**100%**	100%	Providing investment management services
True Partner Capital USA Holding, Inc.	United States	US$10	**100%**	100%	Providing investment management services and investment holding
True Partner Capital USA, LLC	United States	US$692,000	**100%**	100%	Providing investment management services
True Partner China Holding Limited	Hong Kong	HK$3,150,000	**100%**	100%	Investment holding and provision of software development and supporting services
True Partner Consulting Limited	Hong Kong	HK$100	**100%**	100%	Provision of training courses and seminars services
True Partner Research Hong Kong Limited	Hong Kong	HK$100	**100%**	100%	Providing consultancy services
True Partner Capital UK LLP	United Kingdom	GBP200,000	**100%**	100%	Providing investor relations, market and market research services
True Partner Technology Netherlands B.V.	Netherlands	EUR1,000	**100%**	100%	Providing technology services
True Partner Capital Netherlands B.V.	Netherlands	EUR1,000	**100%**	100%	Providing investment management services
True Partner Technology Singapore Pte Limited	Singapore	SGD1,500,000	**100%**	100%	Providing technology services
True Partner Capital Segregated Portfolio Company	The Cayman Islands	US$1	**100%**	–	Segregated Portfolio Company

33. Particulars of principal subsidiaries of the Company (cont'd)

Note:

(a) A wholly foreign-owned enterprise in the People's Republic of China

34. Major non-cash transaction

During the year ended 31 December 2022, the Group entered into a new lease agreement for the use of leased properties for 3 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK$3,850,000 and HK$3,850,000 respectively.

Financial summary

A summary of the combined statement of comprehensive and of the asset and liabilities of the Group for the last four financial years, as extracted from the published audited financial statement, is set out below:

Result

	Year ended 31 December			
	2023	*2022*	*2021*	*2020*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**13,289**	44,793	58,917	132,013
Gross profit	**11,687**	41,395	52,384	119,777
Operating (loss)/profit	**(65,429)**	(32,149)	(22,103)	36,838
(Loss)/profit before income tax for the year	**(65,545)**	(34,578)	(24,455)	38,124
Income tax expense/(credit)	**(1,456)**	1,070	(1,032)	(11,368)
(Loss)/profit for the year	**(67,001)**	(33,508)	(25,487)	26,756
Non-HKFRS measures				
Adjusted net (loss)/profit attributable to owners of the Company – Note	**(67,001)**	(33,636)	(26,020)	39,243

Asset and Liabilities

	As at 31 December			
	2023	*2022*	*2021*	*2020*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	**18,623**	37,768	29,533	29,365
Current assets	**87,055**	135,946	187,206	239,556
Current liabilities	**(10,065)**	(10,224)	(11,259)	(31,785)
Net current assets	**76,990**	125,722	175,947	207,771
Non-current liabilities	**(353)**	(1,720)	(64)	(433)
Net assets	**95,260**	161,770	205,416	236,703

Note:

Adjusted net (loss)/profit attributable to owners of the Company is unaudited and represents (loss)/profit for the year attributable to owners of the Company adding back listing expenses.

True Partner
Capital Holding