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Well Link Securities Holdings Limited
立橋證券控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(formerly known as Excalibur Global Financial Holdings Limited 駿溢環球金融控股有限公司)
(Stock code: 8350)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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.

*This announcement, for which the directors (the "**Directors**") of Well Link Securities Holdings 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 announcement 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 announcement misleading.*

HIGHLIGHTS OF 2023 ANNUAL RESULTS

- The Group has recorded an increase in revenue of approximately 244% from approximately HK$7.0 million for the year ended 31 December 2022 to approximately HK$24.1 million for the year ended 31 December 2023. Such increment was mainly contributed by the increase in trading volume through the leverage of an introducer broker model with another securities firm in Hong Kong to provide margin financing to our clients, the increase in placing fees, and the increase in advisory fees.

- Profit for the year ended 31 December 2023 was approximately HK$8.9 million, as compared to the loss of approximately HK$12.7 million for year ended 31 December 2022. The turnaround was mainly due to (i) the increase in turnover as explained above (ii) other operating and administrative expenses decline from HK$10.1 million for the year ended 31 December 2022 to HK$8.0 million for the year ended 31 December 2023, mainly due to reduction in depreciation of right-of-use assets, and (iii) reversal of impairment losses impact of HK$3.0 million.

- The basic earnings per share was approximately HK1.11 cents for the year ended 31 December 2023, while the basic loss per share was approximately HK1.59 cents for the year ended 31 December 2022.

- The Board of Directors does not recommend the payment of final dividend for the year ended 31 December 2023 (final dividend for the year ended 31 December 2022: Nil).

The board of Directors (the "**Board**") of the Company is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2023, together with the comparative audited figures for the corresponding period in 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Revenue	5		
Contracts with customers		**21,922**	3,639
Interest under effective interest method		**2,221**	3,383
		24,143	7,022
Other income, net	6a	**145**	773
Reversal of impairment losses (impairment losses recognised), net	6b	**2,985**	(3,813)
Salaries and other benefits		**(6,190)**	(6,125)
Other operating and administrative expenses		**(7,968)**	(10,160)
Finance costs	7	**(1,713)**	(2,081)
Profit (loss) before tax		**11,402**	(14,384)
Income tax (expense) credit	8	**(2,493)**	1,644
Profit (loss) and total comprehensive income (expense) attributable to owners of the Company for the year	9	**8,909**	(12,740)
Earnings (loss) per share	11		
Basic *(HK cents)*		**1.11**	(1.59)
Diluted *(HK cents)*		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property and equipment		**309**	–
Right-of-use assets		**1,717**	174
Intangible assets		**1,030**	–
Statutory deposits		**3,030**	5,042
Deferred tax assets		**6,913**	9,406
Loan and interest receivables	13	**12,241**	1,550
		25,240	16,172
Current assets			
Accounts receivables arising from ordinary course of business	12	**30,619**	16,766
Prepayments and other receivables		**1,908**	1,070
Loan and interest receivables	13	**1,538**	26,263
Cash and cash equivalents		**12,369**	5,861
		46,434	49,960
Current liabilities			
Accounts payables arising from ordinary course of business	14	**18,254**	11,834
Other payables and accruals		**1,286**	2,036
Lease liabilities		**1,758**	1,937
Bank borrowing		**–**	9,400
Tax payables		**167**	167
		21,465	25,374
Net current assets		**24,969**	24,586
Total assets less current liabilities		**50,209**	40,758
Non-current liabilities			
Other payables and accruals		**2,300**	–
Lease liabilities		**256**	2,014
Notes payables		**40,000**	40,000
		42,556	42,014
NET ASSETS (LIABILITIES)		**7,653**	(1,256)
Capital and reserves			
Share capital		**8,000**	8,000
Reserves		**(347)**	(9,256)
TOTAL EQUITY (DEFICIT)		**7,653**	(1,256)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Well Link Securities Holdings Limited (formerly known as Excalibur Global Financial Holdings Limited) (the "**Company**") was incorporated in Cayman Islands on 13 July 2016 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. The immediate and ultimate holding company of the Company is Well Link Fintech Holdings Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Xu Chujia ("**Mr. Xu**"), father of Ms. Xu Wenxia, Chairman of the Company.

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 29 December 2023, the name of the Company was, changed from "Excalibur Global Financial Holdings Limited" to "Well Link Securities Holdings Limited".

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company and its subsidiaries (together, the "**Group**") mainly provides brokerage services for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group also provides margin financing business, equity and debt securities placing service, investment advisory services and money lending business.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER POLICIES

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 to 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 consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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.

2.1 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.

2.2 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 in the current year had no material impact on the consolidated financial statements.

2.3 Impacts on application of Amendments to HKAS 12 *Income Taxes International Tax Reform – Pillar Two model Rules*

The Group has applied the amendments for the first time in the current year. HKAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "**Pillar Two legislation**"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current year because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements when the Pillar Two legislation is enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

2.4 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 but has affected the disclosure of the Group's accounting policies set out in note to the consolidated financial statements.

2.5 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*

As disclosed in the consolidated financial statements, 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 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 Hong Kong Special Administrative Region ("**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.

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. Accordingly, the Group has recognised a cumulative catch-up adjustment in profit or loss for the service cost, interest expense and remeasurement effect from changes in actuarial assumptions for the year ended 31 December 2022, with corresponding adjustment to the LSP obligation. The cumulative catch-up adjustment is calculated 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.

The application of the amendments did not have a material impact on the Group's profit or loss for the years ended 31 December 2023 and 31 December 2022 and the Group's and the Company's financial position as at 31 December 2023 and 31 December 2022.

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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
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]

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.

Except for the amendments to HKFRSs mentioned in the consolidated financial statements, the directors of the Company (the "**Directors**") anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by the primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance ("**CO**").

4. SEGMENT REPORTING

Information reported to the Board, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

No operating segments have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable segments under HKFRS 8 *Operating Segments* are as follows:

Brokerage services, margin financing and related advisory services	–	Provision of brokerage services on securities, initial public offering financing service, equity and debt securities placing services and advisory services
Money lending	–	Provision of money lending services

Segment revenue and results

For the year ended 31 December 2023

	Brokerage services, margin financing and related advisory services *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Segment revenue	**22,434**	**1,709**	**24,143**
Segment results	**18,798**	**1,112**	**19,910**
Unallocated corporate income			**145**
Unallocated corporate expenses			**(8,653)**
Profit before tax			**11,402**

For the year ended 31 December 2022

	Brokerage services, margin financing and related advisory services *HK$'000*	Money lending *HK$'000*	Total *HK$'000*
Segment revenue	4,102	2,920	7,022
Segment results	(4,703)	(161)	(4,864)
Unallocated corporate income			773
Unallocated corporate expenses			(10,293)
Loss before tax			(14,384)

5. REVENUE

Disaggregation of revenue from contracts with customers

	2023 *HK$'000*	2022 *HK$'000*
Types of service		
Brokerage service:		
Futures and options trading	**1,617**	2,988
Stock options trading	**190**	282
Securities trading	**12,841**	369
Placing service	**5,455**	–
Advisory service	**1,819**	–
Total	**21,922**	3,639
Timing of revenue recognition		
A point in time	**21,922**	3,639

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

	2023 *HK$'000*	2022 *HK$'000*
Brokerage service:		
Futures and options trading	**1,617**	2,988
Stock options trading	**190**	282
Securities trading	**12,841**	369
Placing service	**5,455**	–
Advisory service	**1,819**	–
Revenue from contracts with customers	**21,922**	3,639
Interest under effective interest method		
Margin financing	**512**	463
Money lending	**1,709**	2,920
	2,221	3,383
Total revenue	**24,143**	7,022

6a. OTHER INCOME, NET

	2023 *HK$'000*	2022 *HK$'000*
Interest income	**123**	28
Exchange loss, net	**(57)**	(74)
Government grants	**–**	360
Account maintenance fee income	**58**	56
Sundry income	**21**	403
	145	773

6b. (REVERSAL OF IMPAIRMENT LOSSES) IMPAIRMENT LOSSES RECOGNISED, NET

	2023	2022
	HK$'000	*HK$'000*
(Reversal of impairment losses) impairment losses recognised on:		
– Property and equipment	**(278)**	276
– Right-of-use assets	**(1,599)**	1,570
– Intangible assets	**(1,030)**	526
	(2,907)	2,372
(Reversal of impairment losses) impairment losses recognised under expected credit loss ("**ECL**") model, net:		
– Loan and interest receivables	**(261)**	1,441
– Accounts receivables arising from ordinary course of business	**183**	–
	(78)	1,441
	(2,985)	3,813

7. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interests on:		
– Lease liabilities	**261**	417
– Bank borrowing	**252**	564
– Notes payables	**1,200**	1,100
	1,713	2,081

8. INCOME TAX (EXPENSE) CREDIT

	2023	2022
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**–**	(167)
Deferred tax		
Current year	**(2,493)**	1,811
Total income tax (expense) credit	**(2,493)**	1,644

9. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2023	2022
	HK$'000	*HK$'000*
Staff costs:		
Directors' remuneration	**2,040**	2,085
Other staff costs (excluding directors' emoluments)		
– Salaries, allowance and benefits in kind	**3,991**	3,877
– Contribution to retirement benefits schemes	**159**	163
	4,150	4,040
Total staff costs	**6,190**	6,125
IT and communication expenses	**3,922**	3,511
Commission expenses	**926**	980
Auditors remuneration	**550**	518
Auditors remuneration – non-audit services	**42**	–
Legal and professional fee	**1,015**	914
Depreciation of property and equipment	**16**	153
Depreciation of right-of-use assets	**56**	1,186

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2023, nor has any dividend been proposed since the end of the reporting period (2022: Nil).

11. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Earnings (loss) for the year attributable to owners of the Company	**8,909**	(12,740)

	2023	2022
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**800,000**	800,000

No diluted earnings (loss) per share for both 2023 and 2022 were presented as there were no potential ordinary shares in issue for both 2023 and 2022.

12. ACCOUNTS RECEIVABLES ARISING FROM ORDINARY COURSE OF BUSINESS

	2023	2022
	HK$'000	*HK$'000*
Accounts receivables – contracts with customers		
– Cash clients	**295**	128
– Clearing houses	**14,842**	3,527
– Overseas brokers	**10,153**	8,223
	25,290	11,878
Accounts receivables from margin clients	**5,512**	4,888
Less: Allowance for credit losses	**(183)**	–
	5,329	4,888
	30,619	16,766

Ageing analysis

The ageing analysis of accounts receivables, net of allowance for credit losses that are neither individually nor collectively considered to be impaired are as follows:

	2023	2022
	HK$'000	*HK$'000*
Current (not past due)	**30,619**	16,766

Other than receivables from cash clients and margin clients in aggregate of approximately HK$5,624,000 (2022: approximately HK$5,016,000), the Group does not hold any collateral over these balances.

13. LOAN AND INTEREST RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Fixed-rate loan and interest receivables		
– Secured	**2,033**	3,696
– Unsecured	**12,926**	25,558
	14,959	29,254
Less: Allowance for credit losses	**(1,180)**	(1,441)
	13,779	27,813
Analysed as:		
Non-current assets	**12,241**	1,550
Current assets	**1,538**	26,263
	13,779	27,813

As at 31 December 2023, included in the Group's loan and interest receivables are debtors with aggregate carrying amount of approximately HK$839,000 (2022: approximately HK$137,000) which are past due as at the reporting date.

The exposure of the Group's loan and interest receivables before ECL to interest rate risks and their contractual maturity dates are as follows:

	2023	2022
	HK$'000	*HK$'000*
Loan and interest receivables:		
– On demand or within one year	**1,538**	27,704
– Within a period of more than one year but not exceeding two years	**13,131**	1,055
– Within a period of more than two years but not exceeding five years	**290**	495
	14,959	29,254

14. ACCOUNTS PAYABLES ARISING FROM ORDINARY COURSE OF BUSINESS

	2023	2022
	HK$'000	*HK$'000*
Accounts payables		
– Clearing houses	**800**	128
– Cash and margin clients	**17,454**	11,706
	18,254	11,834

Accounts payables to clients arising from ordinary course of business are margin deposits received from clients for their trading of futures contracts and options on the HKFE and overseas exchanges through overseas brokers, stock options on the SEOCH and securities on SEHK.

All of the accounts payables are repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND BUSINESS PLAN

The Board expects 2024 to remain a challenging year for the Group as the Hong Kong economy continues to face headwinds from high interest rate environment and geo-political tensions. The Hang Seng Index tested the lows of October 2022 in January 2024 and trading turnover continued to shrink. Meanwhile, the appetite for IPO and fund raising is weak as a result of poor market conditions.

In this coming year, we will continue to be cost conscious but will look to reinvest our profits generated last year into IT developments to enhance our trading platform, broaden our service offerings and enhance our user experience. Following the change of ultimate shareholder in November 2023, we also expect to leverage our fresh brand image and devote more resources into marketing to broaden our customer base. Even though the financial position and cash flow of the Group has improved in the second half of 2023 following an improved financial performance, the Board will remain vigilant and will continue to monitor and enhance its liquidity position. In terms of corporate governance, we will look to invite more industry experts to join our senior management team, through which we aim to better adopt industry best practices to remain fully regulatory compliant, stay ahead of the market trends and open gateways for us to access higher quality clients.

BUSINESS REVIEWS

Brokerage business, related advisory services and margin financing business

The Group mainly provides futures and options, stock options and securities broking, related advisory services, margin financing service through its Type 1 (Dealing in Securities), Type 2 (Dealing in Futures), Type 4 (Advising on Securities) and Type 5 (Advising on Futures) licensed business under the Hong Kong Securities and Futures Ordinance. The Group mainly derived the revenue from brokerage fees received as an introducing broker or directly from the clients for the execution and/or facilitation of trades and interest for the margin loan to clients.

The revenue for the year ended 31 December 2023 (the "**Year**") of the brokerage service, related advisory services and margin financing business was approximately HK$22.4 million, represents an increase of approximately HK$18.3 million or approximately 447% compared to the year ended 31 December 2022 (the "**Prior Year**"). Such increase was mainly contributed by the increase in trading volume through the leverage of an introducer broker model with another securities firm in Hong Kong to provide margin financing to our clients, the increase in placing fees, and the increase in advisory fees.

Money lending business

The Group carries on money lending activities through its wholly owned subsidiary Excalibur Finance Limited. The Group mainly extend secured and unsecured loans to individuals or corporates for short to medium term financing needs. The loan interests are charged based on a range of factors such as the borrower background, nature of collateral and prevailing market conditions.

As at 31 December 2023, the Group had loan and interest receivables of approximately HK$13.8 million (2022: HK$27.8 million), net of allowance for expected credit loss of approximately HK$1.2 million (2022: HK$1.4 million). The Group recorded interest income from loan receivables of approximately HK$1.7 million for the Year (Prior Year: HK$2.9 million). The decline in the outstanding loan and interest receivables was mainly due to repayment of loans during the year and no new loan was extended in light of tight cash flow position of the Group in the first half of 2023.

As at 31 December 2023, there were 7 loans outstanding with principal amount ranging from HK$200,000 to HK$4.2 million, four of which were secured loans collateralized with residential properties located in Hong Kong with loan-to-value ratio between 16% to 63%. The interest rate of all the loans outstanding ranges from 11.4% to 19.2% per annum. The loans receivables from the largest five borrowers represented 94% of the total loans outstanding.

As at 31 December 2023, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loan receivables (the "**ECL**"). In assessing the ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of ECL for corporate structural loans was 9.1% and the rate of ECL for mortgage loans was 0%. The rates were determined based on the nature, probability of default and loss given default of the loan receivables.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan. The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) reviewing and assessing their financial information; and (b) performing an assessment on their creditability. The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or enterprise, on a case by case basis considering factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

FINANCIAL REVIEW

Revenue and result

The Group has recorded an increase in revenue of approximately 244% from approximately HK$7.0 million from Prior Year to approximately HK$24.1 million for the Year. Such increment was mainly contributed by the increase in trading volume through the leverage of an introducer broker model with another securities firm in Hong Kong to provide margin financing to our clients, the increase in placing fees, and the increase in advisory fees.

Profit for the Year was approximately HK$8.9 million, as compared to the loss of approximately HK$12.7 million for Prior Year. The turnaround was mainly due to: (i) the increase in turnover as explained above; (ii) other benefits and other operating and administrative expenses decline from HK$10.1 million for the Prior Year to HK$8.0 million for the Year, mainly due to reduction in depreciation of right-of-use assets; and (iii) reversal of impairment losses impact of HK$3.0 million.

Other net income

For the Year, the Group's other net income amounted to approximately HK$0.1 million, compared to approximately HK$0.8 million for the Prior Year. Such decrease was mainly due to government grants received from the Government of the HKSAR in the Prior Year which did not recur this Year.

Staff costs and remuneration policies

As at 31 December 2023, the Group engaged a total of 15 employees (31 December 2022: 17) and two executive Directors. For the Year, the total staff costs amounted to approximately HK$6.2 million (Prior Year: approximately HK$6.1 million). The increase of total staff cost during the Year was due to the payment of certain long service payment from the departure of staffs during the year. Remuneration (including employees benefit) reviewed on a periodic basis. Employees salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group's business performance.

Other operating and administrative expenses

For the Year, the Group's other operating and administrative expenses ("**G&A expenses**") amounted to approximately HK$8.0 million, representing a decrease of approximately 22% from approximately HK$10.2 million for the Prior Year. Several key expenses items included in this category are discussed below:

(i) ***IT and communications expenses (accounts for approximately 49.2% of G&A expenses)***

In the Year, IT and communication expenses (including service fee paid to our trading software vendor and other trade-related services) of the Group were approximately HK$3.9 million, which represents an increase of approximately 11.7% compared to approximately HK$3.5 million recorded in the Prior Year. Such expenses comprised with fixed costs (including network fee or licensing fee for IT systems) and variable costs directly proportional to transactions executed through the Group. The increase in IT and communications expenses is in line with the Group's strategy to reinvest the profit generated this year to upgrade and enhance our system to meet market requirements.

(ii) ***Legal and professional fees (accounts for approximately 12.7% of G&A expenses)***

Legal and professional fees (including listing fees, printing fees, share registry fees and financial advisory fees) of the Group were approximately HK$1.0 million, which represents an increase of approximately 11.1% compared to approximately HK$0.9 million recorded in the Prior Year. Such increase was mainly due to the one-off professional fees in printing, share registry and financial advisory fees incurred from the change of ultimate shareholder in November 2023.

Income tax (expense)/credit

In the Year, the Group incurred approximately HK$2.5 million of tax expense for the Year, as compared to HK$1.6 million tax credit for the Prior Year. This is mainly due to the profit generated of the Group this Year.

RISK MANAGEMENT

Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents and the accounts receivable due from clients, overseas brokers and clearing houses and the margin loans to clients and the loan and interest receivables. The management does not expect significant credit risk as most bank balances and deposits are placed with recognised banks and financial institutions in Hong Kong and the Group has comprehensive credit policy in place.

For the loan receivables, the Group has adopted a comprehensive credit policy which was set out in the section headed "Business Review – Money lending business" in this announcement.

Liquidity risk

The Group is exposed to liquidity risk which arises from the timing difference between settlement with clearing houses, overseas brokers and clients and repayment of bank borrowing and notes payable. Finance team of the Group works closely with the settlement staffs to monitor the Group's liquidity position.

Foreign currency risk

The Group's transactions in the Year were denominated in Hong Kong dollar and United States dollar. As the Hong Kong dollar is pegged to the United States dollar, no significant exposure to the currency risk is expected by the management. As the management expected the foreign currency risk is low, the Group currently does not have a foreign currency hedging policy.

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any significant contingent liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed "Management Discussion and Analysis" in this announcement, the Group did not have other future plans for material investments or capital assets.

CAPITAL COMMITMENTS

As at 31 December 2023, the Group did not have any significant capital comments contracted but not provided for in the financial statements.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET

During the Year, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures. As at the date of this announcement, the Group does not have any plans for material investments or capital asset.

CORPORATE GOVERNANCE PRACTICES

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

The Company has applied the principles and practices as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company's corporate governance practices.

During the Year and up to the date of this announcement, the Company has complied with the applicable code provisions as set out in the CG Code. All the Directors confirmed that they have fully complied with the required standard set out in the CG Code during the Year.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

SCOPE OF WORK OF ASIAN ALLIANCE

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Group's auditor, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on this announcement.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Required Standard of Dealings as the code for securities transactions by the Directors on the guidelines as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the Year.

EVENTS AFTER THE REPORTING DATE

There were no other significant events arising subsequent to the Year as at the date of this announcement.

DIVIDENDS

The Board of the Company does not recommend the payment of a final dividend for the Year (2022: Nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under Rule 11.23(7) of the GEM Listing Rules during the year ended 31 December 2023 and up to the date of this announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company will be held on Friday, 14 June 2024 at 10:00 a.m. (the "**2024 AGM**"). A notice convening the 2024 AGM will be published and despatched to the shareholders of the Company in due course.

The register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday, 14 June 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. For determining the entitlement of members of the Company to attend and vote at the 2024 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar 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 Monday, 10 June 2024.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Mr. Li Jun, Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret. Ms. Wu Hung Yu possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules, and he serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the audited final results of the Company for the year ended 31 December 2023.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the Company's website (https://www.wlis.com.hk) and the website of the Stock Exchange (http://www.hkexnews.hk).

The annual report of the Company for the Year will also be available at the respective websites of the Company and the Stock Exchange and will be despatched to the Shareholders in April.

By order of the Board
Well Link Securities Holdings Limited
Xu Wenxia
Chairman and Executive Director

Hong Kong, 28 March 2024

As at the date of this announcement, the Board of the Company comprises of Executive Directors Ms. Xu Wenxia and Mr. Kwan Kin Man Keith, and Independent Non-executive Directors Mr. Li Jun, Ms. Wu Hung Yu and Mr. Yeung Chi Shing Bret.

This announcement will remain on the "Latest Listed Company Announcements" page of the website of the Stock Exchange at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the website of the Company at https://www.wlis.com.hk/.