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**盛源控股有限公司**

**SHENG YUAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 851)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Directors**”, collectively referred to as the “**Board**”) of Sheng Yuan Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the consolidated results of the Group for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures for the corresponding year ended 31 December 2023 as follows:

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	5	26,292	7,594
Other gains and losses	6	20,725	(12,860)
Other income	7	4,011	4,933
Staff costs	10	(7,792)	(10,929)
Depreciation		(1,659)	(2,785)
Finance costs	8	(204)	(3,831)
Other expenses	9	(10,689)	(9,100)
Net write-back of/(provision for) impairment loss on financial assets	14	5,044	(483)
<b>Profit/(loss) before income tax</b>		<b>35,728</b>	<b>(27,461)</b>
Income tax expense	11	(3,842)	(307)
<b>Profit/(loss) for the year</b>		<b>31,886</b>	<b>(27,768)</b>
<b>Other comprehensive income</b>			
Item that is or may be reclassified subsequently to profit or loss			
– Exchange differences on translation of financial statements of overseas subsidiaries		2	3
<b>Other comprehensive income for the year, net of tax</b>		<b>2</b>	<b>3</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>31,888</b>	<b>(27,765)</b>
Profit/(loss) for the year attributable to owners of the Company		31,886	(27,768)
<b>Total comprehensive income/(loss) for the year attributable to owners of the Company</b>		<b>31,888</b>	<b>(27,765)</b>
		<i>HK cents</i>	<i>HK cents</i>
<b>Earnings/(loss) per share attributable to owners of the Company</b>	13		
– Basic		3.62	(4.00)
– Diluted		3.62	(4.00)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

		31 December 2024	31 December 2023
	Notes	HK\$'000	HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		228	404
Right-of-use assets	17	2,471	3,954
Trading rights		–	–
Goodwill		–	–
Other assets		205	205
Long-term deposit	14	510	510
		<u>3,414</u>	<u>5,073</u>
<b>Current assets</b>			
Accounts and other receivables, deposits and prepayments	14	5,995	28,267
Debt instruments held at fair value through profit or loss (“FVTPL”)		–	4,499
Held for trading investments	15	14,000	10,747
Current tax assets		–	1,866
Deposit with maturities over 3 months when acquired		56,958	–
Trust bank balances held on behalf of clients		22,336	45,428
Cash and cash equivalents		44,043	47,166
		<u>143,332</u>	<u>137,973</u>

		<b>31 December 2024</b>	31 December 2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Current liabilities</b>			
Accounts and other payables and accruals	16	24,827	53,558
Current tax liabilities		2,252	—
Lease liabilities	17	1,633	1,540
Contract liabilities		450	619
		<u>29,162</u>	<u>55,717</u>
<b>Net current assets</b>		<u>114,170</u>	<u>82,256</u>
<b>Total assets less current liabilities</b>		<u>117,584</u>	<u>87,329</u>
<b>Non-current liabilities</b>			
Lease liabilities	17	998	2,631
<b>Net assets</b>		<u>116,586</u>	<u>84,698</u>
<b>EQUITY</b>			
Share capital		88,197	88,197
Reserves		28,389	(3,499)
<b>Total equity</b>		<u>116,586</u>	<u>84,698</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

Sheng Yuan Holdings Limited (the “**Company**”) is an exempted company with limited liability incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Units 3208–9, 32/F, Grand Millennium Plaza, Cosco Tower, No.183 Queen’s Road Central, Sheung Wan, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”). Its parent and ultimate holding company is Yuanyin Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities. The presentation currency of the Group is Hong Kong dollars (“**HK\$**”).

The Company is an investment holding company, and its subsidiaries are principally engaged in provision of securities brokerage and financial services, asset management services, proprietary trading and trading business.

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the board of directors on 21 March 2025.

## 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

### (a) Statement of compliance

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

**(b) Basis of preparation**

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial assets which are measured at fair value.

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

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

**3. ADOPTION OF NEW OR AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) AND CHANGES IN OTHER ACCOUNTING POLICIES**

**(i) Changes in accounting policies**

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

- Amendments to HKAS 1, Presentation of financial statements – Classification of liabilities as current or non-current (“**2020 amendments**”) and amendments to HKAS 1, Presentation of financial statements – Non-current liabilities with covenants (“**2022 amendments**”)
- Amendments to HKFRS 16, Leases – Lease liability in a sale and leaseback
- Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The adoption of new or amended HKFRSs has no material impact on the Group’s results, financial position and accounting policies.

**(ii) Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024**

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

**Effective for  
accounting periods  
beginning on  
or after**

Amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability	1 January 2025
Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, Presentation and disclosure in financial statements	1 January 2027
HKFRS 19, Subsidiaries without public accountability: disclosures	1 January 2027
Amendments to HK-Int 5, Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

#### **4. SEGMENT INFORMATION**

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines as follows:

- (a) Securities brokerage and financial services – provision of discretionary and non-discretionary dealing services for securities and futures contracts, securities placing and underwriting services, margin financing and money lending services, corporate finance advisory, general advisory services and custodian services;
- (b) Asset management services – provision of fund management and discretionary portfolio management and investment advisory services;
- (c) Proprietary trading – investment holding and securities trading; and
- (d) Trading business – financing services.

No operating segments identified have been aggregated in arriving at the reportable segments of the Group. Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches.

2024	Securities brokerage and financial services <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Proprietary trading <i>HK\$'000</i>	Trading business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Reportable segment revenue</b>					
Total segment revenue	14,412	17,993	–	172	32,577
Inter-segment revenue ( <i>note a</i> )	(763)	(5,522)	–	–	(6,285)
	<u>13,649</u>	<u>12,471</u>	<u>–</u>	<u>172</u>	<u>26,292</u>
<b>Revenue from external customers</b>					
– Fee and commission income	13,649	12,471	–	–	26,120
– Financing services income	–	–	–	172	172
	<u>13,649</u>	<u>12,471</u>	<u>–</u>	<u>172</u>	<u>26,292</u>
<b>Revenue from external customers</b>					
– Timing of revenue recognition					
Point in time	1,357	–	–	–	1,357
Over time	12,292	12,471	–	–	24,763
<b>Revenue from other sources</b>	–	–	–	172	172
	<u>13,649</u>	<u>12,471</u>	<u>–</u>	<u>172</u>	<u>26,292</u>
– Geographical region: Hong Kong	<u>13,649</u>	<u>12,471</u>	<u>–</u>	<u>172</u>	<u>26,292</u>
<b>Reportable segment result</b>	<u>12,841</u>	<u>13,045</u>	<u>23,711</u>	<u>222</u>	<u>49,819</u>
Net write-back of/(provision for) impairment loss on financial assets	(156)	2,490	2,578	132	5,044
Changes in fair value of held for trading investments	–	–	3,253	–	3,253
Net gain on disposal of debt instruments held at FVTPL	–	–	17,468	–	17,468
Interest income from banks	3,187	25	45	–	3,257
<b>Reportable segment assets</b>	<u>23,215</u>	<u>4,736</u>	<u>13,999</u>	<u>–</u>	<u>41,950</u>
<b>Reportable segment liabilities</b>	<u>23,004</u>	<u>62</u>	<u>–</u>	<u>–</u>	<u>23,066</u>



2023	Securities brokerage and financial services HK\$'000	Asset management services HK\$'000	Proprietary trading HK\$'000	Trading business HK\$'000	Total HK\$'000
<b>Reportable segment revenue</b>					
Total segment revenue	4,361	2,959	–	278	7,598
Inter-segment revenue ( <i>note a</i> )	(4)	–	–	–	(4)
	<u>4,357</u>	<u>2,959</u>	<u>–</u>	<u>278</u>	<u>7,594</u>
<b>Revenue from external customers</b>					
– Fee and commission income	4,131	2,959	–	–	7,090
– Financing services income	–	–	–	278	278
– Margin financing income	226	–	–	–	226
	<u>4,357</u>	<u>2,959</u>	<u>–</u>	<u>278</u>	<u>7,594</u>
<b>Revenue from external customers</b>					
– Timing of revenue recognition					
Point in time	1,790	–	–	–	1,790
Over time	2,341	2,959	–	–	5,300
<b>Revenue from other sources</b>	<u>226</u>	<u>–</u>	<u>–</u>	<u>278</u>	<u>504</u>
	<u>4,357</u>	<u>2,959</u>	<u>–</u>	<u>278</u>	<u>7,594</u>
– Geographical region: Hong Kong	<u>4,357</u>	<u>2,959</u>	<u>–</u>	<u>278</u>	<u>7,594</u>
<b>Reportable segment result</b>	<u>(3,009)</u>	<u>4,614</u>	<u>(11,188)</u>	<u>113</u>	<u>(9,470)</u>
Net write-back of/(provision for) impairment loss on financial assets	(3,259)	5,486	(2,578)	(132)	(483)
Changes in fair value of held for trading investments	–	–	(4,941)	–	(4,941)
Changes in fair value of debt instruments held at FVTPL	–	–	(7,490)	–	(7,490)
Interest income from banks	1,245	27	62	–	1,334
<b>Reportable segment assets</b>	<u>47,317</u>	<u>1,320</u>	<u>16,276</u>	<u>23,084</u>	<u>87,997</u>
<b>Reportable segment liabilities</b>	<u>47,392</u>	<u>601</u>	<u>366</u>	<u>52</u>	<u>48,411</u>

*Note:*

- a) Inter-segment transactions were entered into the normal course of business.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except that certain other income; directors' emoluments; interest expenses on lease liabilities and liability component of the convertible bonds; income tax expense; and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segments. Common expenditures are allocated between operating segments based on proportion of segment revenue where necessary. Inter-segment revenue are charged on the expenses incurred by the relevant subsidiary plus certain percentage.

Segment assets include all assets but do not include current tax assets, property, plant and equipment, right-of-use assets, cash and cash equivalents and deposit with maturities over 3 months of the Group. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarters, including prepayment, deposits and other receivables. Segment liabilities include all liabilities but do not include current tax liabilities, and lease liabilities. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

The amounts presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit or loss</b>		
Reportable segment revenue	<u>26,292</u>	<u>7,594</u>
Group's revenue	<u><u>26,292</u></u>	<u><u>7,594</u></u>
Reportable segment result	49,819	(9,470)
Other income	–	9
Finance costs	(204)	(3,831)
Depreciation	(1,659)	(2,785)
Corporate expenses*	<u>(12,228)</u>	<u>(11,384)</u>
Consolidated profit/(loss) before income tax	<u><u>35,728</u></u>	<u><u>(27,461)</u></u>

\* Mainly staff costs, including directors' emoluments, and other professional fees.

	2024 HK\$'000	2023 HK\$'000
<b>Assets and liabilities</b>		
Reportable segment assets	41,950	87,997
Current tax assets	–	1,866
Cash and cash equivalents	44,043	47,166
Property, plant and equipment	228	404
Right-of-use assets	2,471	3,954
Deposit with maturities over 3 months when acquired	56,958	–
Corporate assets	1,096	1,659
	<u>146,746</u>	<u>143,046</u>
Consolidated total assets	<u>146,746</u>	<u>143,046</u>
Reportable segment liabilities	23,066	48,411
Current tax liabilities	2,252	–
Lease liabilities	2,631	4,171
Corporate liabilities	2,211	5,766
	<u>30,160</u>	<u>58,348</u>
Consolidated total liabilities	<u>30,160</u>	<u>58,348</u>

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets\*\*. The geographical location of customers is based on the location at which the subsidiary operates. The geographical location of non-current assets\*\* is based on the physical location of the asset, in the case of property, plant and equipment and right-of-use assets.

	Revenue from external customers		Non-current assets**	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (domicile) <sup>#</sup>	<u>26,292</u>	<u>7,594</u>	<u>2,699</u>	<u>4,358</u>

\*\* Non-current assets exclude other assets.

<sup>#</sup> The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of disclosures as required by HKFRS 8, Operating Segments.

The Group's customers include the following with whom transactions have exceeded 10% of the Group's revenue:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ( <i>note i</i> )	9,800	–
Customer B ( <i>note ii</i> )	9,312	–
Customer C ( <i>note ii</i> )	3,079	2,243
	<u>          </u>	<u>          </u>

*Notes:*

- i. Revenue from this customer is attributable to securities brokerage and financial services segment.
- ii. Revenue from these customers is attributable to asset management services segment.

## 5. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Fee and commission income		
Securities brokerage and financial services segment:		
– Securities and futures brokerage	1,357	1,066
– Corporate finance service income	8,000	600
– Consultancy fee income	127	643
– Underwriting and placing	–	724
– Custodian fee	4,165	1,098
	<u>13,649</u>	<u>4,131</u>
Asset management services segment:		
– Fund and portfolio management and investment advisory	12,471	2,959
	<u>          </u>	<u>          </u>
<b>Revenue from other sources</b>		
<b>Interest income calculated using the effective interest method</b>		
– Financing services	172	278
– Margin financing	–	226
	<u>172</u>	<u>504</u>
<b>Total</b>	<u>26,292</u>	<u>7,594</u>

The following table provides information about contract liabilities from contracts with customers:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract liabilities	<u>450</u>	<u>619</u>

The Group has applied the practical expedient in HKFRS 15 to its customer contracts relating to financial advisory, custodian services, and consultancy services such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less and any estimated amounts of variable consideration that are constrained.

## 6. OTHER GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Changes in fair value of debt instruments held at FVTPL	–	(7,490)
Changes in fair value of held for trading investments	3,253	(4,941)
Net foreign exchange gain/(loss)	4	(429)
Net gain on disposal of debt instruments held at FVTPL (note a)	<u>17,468</u>	<u>–</u>
	<u>20,725</u>	<u>(12,860)</u>

*Note:*

- (a) On 8 September 2021, 15 September 2021 and 16 September 2021, the Group has subscribed for certain listed bonds and a note (“**Atta Notes**”) issued by Atta Asset 4 Limited (“**Atta Asset**”) in an aggregate principal amount of US\$29,580,000 (approximately HK\$230,724,000), comprising the Group’s proprietary investment with a subscription amount of US\$2,500,000 (approximately HK\$19,500,000) and the Flourishing Fund’s Subscriptions (as further explained below). In the opinion of the Directors, the Group’s proprietary investment was financed by the Group’s internal resources while the Flourishing Fund’s Subscriptions was financed by a note of US\$27,080,000 (approximately HK\$211,224,000) carrying interest at 12.5% per annum (“**Kingwell Notes**”) issued by the Group to Flourishing Fountain Investment Limited (“**Flourishing**”), an independent third party. The Flourishing Fund’s Subscriptions comprised (i) subscription of certain listed bonds in the principal amount of US\$10,580,000 (approximately HK\$82,524,000) with coupon rate of 12.5% per annum; (ii) the subscription of certain listed bonds in the principal amount of US\$6,500,000 (approximately HK\$50,700,000) with coupon rate of 12.5% per annum and (iii) the entering into of the Atta Notes purchase agreement and the purchase of Atta Notes in the principal amount of US\$10,000,000 (approximately HK\$78,000,000) which shall

pay interest of US\$740,000 semiannually since 1 May 2022 and up to 7 May 2024 (equivalent to 14.8% per annum). Flourishing would bear the loss incurred (if any) by the Flourishing Fund's Subscriptions pursuant to the terms of the transaction documents with respect to the Kingwell Notes.

The effect of the purchase of the Atta Notes, which is a leveraged note, by the Group with the corresponding part of the proceeds from Kingwell Notes is that the Group has facilitated an additional leverage subscription of the listed bonds as Atta Assets has also subscribed for the listed bonds for economic hedge purpose. In this respect, pursuant to the terms of the Atta Notes and the Kingwell Notes, the Group is able to earn an interest spread of approximately 2% per annum of its principal subscription amount of the Atta Notes, being the difference between its interest receivables from the Atta Notes and its interest payables under the Kingwell Notes. During the year ended 31 December 2023, the Group recognised a net note interest spread of US\$211,000 (approximately HK\$1,637,000) under other income.

On 21 March 2024, the Group, Flourishing, and Atta Asset entered into a termination agreement in which Atta Asset shall pay the Group the principal and agreed interest of US\$10,000,000 (approximately HK\$78,000,000) and US\$3,330,000 (approximately HK\$25,841,000) (collectively referred to as the "Repayment Amount"). Specifically, (i) a total of US\$12,916,667 (approximately HK\$100,633,000) out of the Repayment Amount shall be settled separately between Atta Asset and Flourishing, which includes an aggregate principal amount of US\$10,000,000 (approximately HK\$78,000,000) together with interest of US\$2,916,667 (approximately HK\$22,633,000) on the Kingwell Notes obligation to Flourishing; and (ii) the remaining sum of US\$413,333 of the Repayment Amount shall be paid by Atta Asset to the Group.

On 26 April 2024, the Group and Flourishing entered into a settlement agreement in which Flourishing shall make payments to the Group in an aggregate amount of US\$2,442,200 (approximately HK\$18,951,000) and transfer its right to the proceeds received by the Group of US\$370,300 (approximately HK\$2,874,000) from the Flourishing Fund's subscriptions to the Group (the "Payoff"). Upon completion of the Payoff, the Group shall transfer the Flourishing Fund's subscriptions and the Group's proprietary investment to Flourishing, which shall be deemed to have redeemed all of the Kingwell Notes subscribed by Flourishing. The aggregate amount of the Payoff, US\$2,812,500 (approximately HK\$21,825,000), represents the proceeds from the disposal of the Group's debt instruments held at FVTPL.

Further details on the above transactions are detailed in the Company's announcements dated 12 August 2022, and 21 March 2024 and 26 April 2024 and the Company's circular dated 30 November 2022.

## 7. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000
Interest income from banks	3,257	1,334
Interest income from debt instruments ( <i>note a</i> )	–	1,213
Interest spread arising from debt instruments arrangement	–	1,637
Dividend income from held for trading investments	730	742
Sundry income	24	7
	<u>4,011</u>	<u>4,933</u>

*Notes:*

(a) It represented the interest income of listed bond carrying interest at 12.5% per annum.

## 8. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Effective interest on liability component of convertible bonds	–	3,612
Interest on lease liabilities ( <i>note 17</i> )	204	219
	<u>204</u>	<u>3,831</u>

## 9. OTHER EXPENSES

	2024 HK\$'000	2023 HK\$'000
Auditor's remuneration		
– audit services	1,150	1,470
– non-audit services	–	350
Expense relating to short-term leases	142	299
Legal and professional fee	5,171	3,036
Others	4,226	3,945
	<u>10,689</u>	<u>9,100</u>

## 10. STAFF COSTS

	2024 HK\$'000	2023 HK\$'000
Staff costs, including directors' emolument		
– Fees, salaries, allowances and bonuses	7,586	10,026
– Retirement benefit scheme contributions	268	334
– Changes of provision for long service payment	(62)	569
	<u>7,792</u>	<u>10,929</u>

## 11. INCOME TAX EXPENSES

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% in 2024.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

	2024 HK\$'000	2023 HK\$'000
<b>Current tax – Hong Kong profits tax</b>		
– Provision for current year	2,352	58
– Under provision in respect of prior years	1,490	249
	<u>3,842</u>	<u>307</u>
Total income tax expense	<u>3,842</u>	<u>307</u>

## 12. DIVIDENDS

No dividend was proposed or paid during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.



### 13. EARNINGS/(LOSS) PER SHARE

#### Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profits attributable to owners of the Company of approximately HK\$31,886,000 (2023: loss of approximately HK\$27,768,000) and the weighted average number of 881,970,541 (2023: 694,299,308) ordinary shares in issue during the year.

#### Diluted earnings/(loss) per share

The computation of diluted loss per share did not assume the exercise or conversion of convertible bonds as it would result in a decrease in loss per share during the year ended 31 December 2023.

No diluted earnings per share are presented as the Company did not have any potentially diluted ordinary share outstanding during the year ended 31 December 2024.

### 14. ACCOUNTS AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Account receivables	18,161	41,208
Less: provision for impairment loss recognised	<u>(13,492)</u>	<u>(15,958)</u>
	4,669	25,250
Prepayments	615	270
Other receivables and deposits	711	1,097
Debt instrument arrangement	–	3,422
Rental deposit	510	1,316
Less: provision for impairment loss recognised	<u>–</u>	<u>(2,578)</u>
	<u>1,836</u>	<u>3,527</u>
	<u>6,505</u>	<u>28,777</u>

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Analysis for reporting purposes:		
Current	5,995	28,267
Non-current	<u>510</u>	<u>510</u>
	<b><u>6,505</u></b>	<b><u>28,777</u></b>

The movement in the net write-back of/provision for impairment loss recognised on accounts and other receivables is set out below:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
At the beginning of the year	18,536	18,053
(Net write-back of)/provision for impairment loss recognised	<u>(5,044)</u>	<u>483</u>
At the end of the year	<b><u>13,492</u></b>	<b><u>18,536</u></b>

The analysis of accounts receivables is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Arising from the business of dealing in securities and futures contracts		
– HKSCC and HKCC	–	1,014
– Securities broker	<u>–</u>	<u>2</u>
	–	1,016
Arising from asset management services	5,305	8,373
Arising from underwriting and placing services	8,000	8,000
Arising from custodian services	–	377
Arising from financial services	–	23,162
Arising from advisory services	4,656	–
Arising from corporate finance services	<u>200</u>	<u>280</u>
	18,161	41,208
Less: provision for impairment loss recognised	<u>(13,492)</u>	<u>(15,958)</u>
	<b><u>4,669</u></b>	<b><u>25,250</u></b>

The normal settlement terms of accounts receivable arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts receivable arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amount due from margin clients are repayable on demand subsequent to the settlement date and bear interest at Hong Kong Dollar Prime Rate plus a spread of 8% (2023: Hong Kong Dollar Prime Rate plus a spread of 6%) per annum. The amounts due from HKSCC and HKCC are repayable on demand except for the required margin deposits for the trading of futures contracts.

Settlement of amounts arising from asset management service, underwriting and placing services, corporate finance services, advisory services and custodian services is in accordance with the terms set out in respective agreements, usually within one year after the service obligation has been fulfilled. And the settlement of amounts arising from financial service are normally due immediately from date of billing with a credit period of 60 days on average to its client.

The following table provides information about the exposure to credit risk for amounts arising from asset management, underwriting and placing services, financial services, advisory services, corporate finance services and custodian services:

As at 31 December 2024	Expected loss rate (%)	2024 Gross carrying amount	Loss allowance
		HK\$'000	HK\$'000
Not past due	0.17	4,662	(8)
0 to 30 days past due	26.36	3	(1)
31 to 60 days past due	40.06	3	(1)
61 to 90 days past due	40.06	3	(1)
91 to 180 days past due	40.06	9	(4)
181 to 270 days past due	42.66	9	(4)
271–365 days past due	94.55	5	(6)
Over 365 days past due	100.00	13,467	(13,467)
		18,161	(13,492)

<b>As at 31 December 2023</b>	<b>Expected loss rate (%)</b>	<b>2023 Gross carrying amount HK\$'000</b>	<b>Loss allowance HK\$'000</b>
Not past due	0.54	24,610	(134)
0 to 30 days past due	6.76	636	(43)
31 to 60 days past due	0.00	20	–
61 to 90 days past due	5.00	20	(1)
91 to 180 days past due	6.45	62	(4)
181 to 270 days past due	21.54	65	(14)
271–365 days past due	80.81	172	(139)
Over 365 days past due	100.00	15,623	(15,623)
		41,208	(15,958)

#### 15. HELD FOR TRADING INVESTMENTS

	<b>2024 HK\$'000</b>	<b>2023 HK\$'000</b>
Equity securities listed in Hong Kong	<b>14,000</b>	10,747

#### 16. ACCOUNTS AND OTHER PAYABLES AND ACCRUALS

	<b>31 December 2024 HK\$'000</b>	<b>31 December 2023 HK\$'000</b>
Accounts payables arising from the business of dealing in securities and futures contracts		
– Cash clients	<b>20,029</b>	46,346
– Margin clients	<b>2,307</b>	94
	<b>22,336</b>	46,440
Other payables	<b>793</b>	4,000
Accruals	<b>1,698</b>	3,118
	<b>24,827</b>	53,558

The normal settlement terms of accounts payables arising from the business of dealing in securities are one to two business days after the respective trade dates. The normal settlement terms of accounts payables arising from the business of dealing in futures contracts are one business day after the respective trade dates. The amounts payable to cash and margin clients are repayable on demand except for the required margin deposits for the trading of futures contracts. No ageing analysis in respect of accounts payables is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature.

## 17. LEASES

The Group leased an office property from which it operated and does not contain any extension option. There was no potential future cash outflows for the year ended 31 December 2024 and 2023 as the lease agreement does not contain extension option.

None of the leases contain variable lease payments.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the year:

### Right-of-use assets

	<b>Office premises</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
At the beginning of the year	<b>3,954</b>	1,706
Additions	–	4,448
Depreciation	<b>(1,483)</b>	(2,200)
	<u>          </u>	<u>          </u>
At the end of the year	<b><u>2,471</u></b>	<b><u>3,954</u></b>

## Lease liabilities

	Office premises	
	2024	2023
	HK\$'000	HK\$'000
At the beginning of the year	4,171	2,270
Additions	–	4,448
Interest expense ( <i>note 8</i> )	204	219
Lease payments	(1,744)	(2,766)
At the end of the year	<u>2,631</u>	<u>4,171</u>
Analysed into:		
Current liabilities	1,633	1,540
Non-current liabilities	<u>998</u>	<u>2,631</u>

As at 31 December 2024 and 2023, the Group had total future lease payments for leases committed but not yet commenced falling due as follows:

	Minimum lease payment HK\$'000	Interest HK\$'000	Present Value HK\$'000
Not later than one year	1,744	(204)	1,540
Later than one year and not later than two years	<u>2,762</u>	<u>(131)</u>	<u>2,631</u>
<b>At 31 December 2023</b>	<u>4,506</u>	<u>(335)</u>	<u>4,171</u>
Not later than one year	1,744	(111)	1,633
Later than one year and not later than two years	<u>1,018</u>	<u>(20)</u>	<u>998</u>
<b>At 31 December 2024</b>	<u>2,762</u>	<u>(131)</u>	<u>2,631</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Depreciation expense of right-of-use assets	<b>1,483</b>	2,200
Interest on lease liabilities ( <i>note 8</i> )	<b>204</b>	219
Expense relating to short-term leases	<b>142</b>	299
	<b><u>          </u></b>	<b><u>          </u></b>

The Group has no expense relating to leases of low-value assets, except for rental under short-term leases.

The total cash outflow for lease in the year ended 31 December 2024 was HK\$1,886,000 (2023: HK\$3,065,000).

## **18. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification was considered to provide a more appropriate presentation of the state of affairs of the Group.

## FINAL DIVIDEND

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

## BUSINESS AND FINANCIAL REVIEW

For the year ended 31 December 2024, the revenue of the Group increased to approximately HK\$26.3 million, representing an increase of 246% as compared with a revenue of approximately HK\$7.6 million for the year ended 31 December 2023. Profit for the year ended 31 December 2024 was approximately HK\$31.9 million, as compared with a loss of approximately HK\$27.8 million for the year ended 31 December 2023. The increase in net profit is primarily attributable to (1) the successful execution of Financial Advisory Services Agreement and General Escrow Services Agreement as disclosed in the continuing connected transactions announcement of the Company dated 11 November 2023 and (2) an investment advisory agreement signed during year 2024, which has driven substantial revenue growth; both of which have significantly contributed to the Group's revenue growth and overall financial performance.

During the Reporting Period, the total revenue of Sheng Yuan Financial Services Group Limited (a subsidiary of the Company) and its subsidiaries (collectively, the “**SYFS Group**”) increased by approximately 258% to approximately HK\$26.1 million (2023: HK\$7.3 million). For securities brokerage and financial services business, revenue from securities brokerage and financial services during the year ended 31 December 2024 increased by 209% to approximately HK\$13.6 million (2023: approximately HK\$4.4 million); segment result recorded a profit of approximately HK\$12.8 million (2023: a loss of approximately HK\$3.0 million). Such increase in both revenue and profit was mainly because some clients resumed their Debt Capital Market (“**DCM**”) and Equity Capital Market (“**ECM**”) projects during the year.

For asset management business, as of 31 December 2024, Sheng Yuan Asset Management Limited acted as the fund manager or investment adviser for two discretionary accounts. The total assets under management (the “**AUM**”) of SYAM decreased by approximately 100% to approximately HK\$0.17 million for the year ended 31 December 2024 (2023: approximately HK\$662 million). During the Reporting Period, the Group recorded segment revenue of approximately HK\$12.5 million (2023: approximately HK\$3.0 million) generated from asset management business, representing an increase of approximately 317%; it recorded segment profit of approximately HK\$13.0 million (2023: HK\$4.6 million), representing an increase of approximately 182.6%. The increase in the segment revenue was mainly due to an investment advisory agreement signed during year 2024.



For proprietary trading business, the Company mainly invests, through its subsidiaries, in listed shares and real estate bonds in the Hong Kong market. During the Reporting Period, the Group resumed its proprietary trading business. The segment profit from the proprietary trading business was approximately HK\$23.7 million (2023: segment loss of approximately HK\$11.2 million).

The Group continued its trade financing business during the year to expand and diversify its source of revenue. During the Reporting Period, the segment achieved a profit of approximately HK\$0.2 million (2023: a profit of approximately HK\$0.1 million). The Group adopted HKFRS 9 to account for its trade financing process in 2024.

## **PROSPECTS AND FUTURE PLANS**

As we progress through 2025, Hong Kong's economic landscape presents both challenges and opportunities. The government forecasts a GDP growth rate between 2% and 3% for the year, following a 2.5% growth in 2024. Additionally, the International Monetary Fund (IMF) has adjusted its 2025 growth projection for Hong Kong to 2.7%, down from an earlier estimate of 3%. These forecasts reflect global economic uncertainties.

In response to these conditions, the Group remains committed to reinforcing its market position and delivering value to shareholders. The Group aim to leverage expertise to navigate the evolving economic environment effectively.

To strengthen securities brokerage business, the Group will intensify efforts to secure DCM and ECM deals, aiming to bolster underwriting income. Simultaneously, asset management division plans to establish additional funds across various asset classes and develop innovative financial products. By broadening customer base, particularly focusing on high-net-worth individuals and professional investor groups aiming to align with current market trends and client needs.

The Group has also been exploring the reactivation of proprietary trading operations to diversify income sources and enhance overall profitability. Additionally, continuous efforts will be made to manage operating costs and improve efficiency, ensuring sustainable growth and maximize shareholders' returns.

The Directors are confident that, through these strategic initiatives, the Group is well-positioned to maintain sustainable growth in 2025 and beyond, thereby enhancing value to shareholders.

## **MATERIAL ACQUISITION AND DISPOSAL**

There were no material acquisitions or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 31 December 2024, cash and bank balances in general accounts maintained by the Group were approximately HK\$44.0 million, representing a decrease of approximately 6.8% from approximately HK\$47.2 million as of 31 December 2023. Balances in deposit with maturities over 3 months when acquired were approximately HK\$57.0 million (2023: Nil). Balances in trust and segregated accounts were approximately HK\$22.3 million, representing a decrease of approximately 50.9% from approximately HK\$45.4 million as of 31 December 2023. Accounts and other receivables, deposits and prepayments were approximately HK\$6.5 million as at 31 December 2024, representing a decrease of approximately 77.4% from approximately HK\$28.8 million in 2023. Such decrease is mainly due to repayment of receivable from customers. Accounts and other payables and accruals were approximately HK\$24.8 million as at 31 December 2024 (2023: HK\$53.6 million). The Group's current assets and current liabilities as of 31 December 2024 were approximately HK\$143.3 million (2023: HK\$138.0 million) and approximately HK\$29.2 million (2023: HK\$55.7 million), respectively. The long-term liability as of 31 December 2024 was HK\$1.0 million (2023: HK\$2.6 million). The gearing ratio of the Group, measured by total liabilities to total assets, was not applicable as at 31 December 2024 and 2023 because the Group has no debts such as borrowings. As at 31 December 2024, the Group recorded net assets of approximately HK\$116.6 million (2023: net asset of approximately HK\$84.7 million). During the year ended 31 December 2024, the Group financed its operations with internally generated cash flows.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

The Group's transactions are mainly denominated in Hong Kong dollars, and United States dollars ("USD"), and Renminbi ("RMB"). The Group has not implemented any foreign currency hedging policies. However, the Group's management will closely monitor exchange rate movement and will take appropriate actions to reduce the risks.

## **CAPITAL STRUCTURE**

The Directors monitor the Group's capital structure by reviewing cash flow requirements and considering its future financial obligations and commitments. The capital structure of the Group comprises of issued share capital and reserves attributable to shareholders. The Directors review the Group's capital structure regularly. There are no changes in capital structure during the Reporting Period.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any material contingent liabilities.

## **DIVIDEND POLICY**

The Company has a dividend policy, the objective of which is to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves to sustain the Group's future growth. The declaration, form, frequency, and amount of dividend paid by the Company must be in accordance with relevant laws and regulations and subject to the byelaws of the Company. In deciding whether to declare any dividend, the Board will take into account of a number of factors, including the financial results, the distributable reserves, the operations, and liquidity requirements, and the current and future development plans of the Company. The Board will review the dividend policy of the Company as appropriate from time to time.

## **PLEDGE OF ASSETS**

As at 31 December 2024, the Group did not have any pledged assets.

## **HUMAN RESOURCES**

As at 31 December 2024, the Group employed 17 employees. The remuneration policy and package of the Group's employees are maintained at market level and are reviewed annually by the management. In addition to basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

The Group regards our staff as the most important asset and resource and provides regular training courses and a variety of development programs and has developed relevant training policies and procedures to enhance the effectiveness of such training programs.

During the Reporting Period, the Group has organized both internal and external training courses for employees. Such training courses covered topics including but not limited to industrial updates, compliance matters, occupational health, and safety, etc.

## **PURCHASE, REDEMPTION OR SALE OF THE COMPANY’S LISTED SECURITIES**

During the Reporting Period, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities. As of 31 December 2024, the Company did not hold any treasury shares.

## **AUDIT COMMITTEE**

The Company has an Audit Committee which was established in accordance with Rule 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The audited results for the year ended 31 December 2024 have been reviewed by the Audit Committee. The Audit Committee comprises three members namely Ms. Huang Qin (Chairman), Mr. Zhang Jinfan, and Mr. Huang Shuanggang. Ms. Huang Qin and Mr. Zhang Jinfan are both independent non-executive Directors, and Mr. Huang Shuanggang is a non-executive Director.

## **REMUNERATION COMMITTEE**

The Remuneration Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Remuneration Committee comprises three independent non-executive Directors namely, Mr. Zhang Jinfan (Chairman), Ms. Huang Qin and Mr. Guo Yaoli.

## **NOMINATION COMMITTEE**

The Nomination Committee has been set up with written term of reference in accordance with the requirements of the Listing Rules. The Nomination Committee comprises the Chairman of the Board and two independent non-executive Directors namely, Mr. Zhou Quan (Chairman), Mr. Zhang Jinfan and Mr. Guo Yaoli.

## **EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

The Group is not aware of any significant events which could have a material impact on its operating and financial performance after the Reporting Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code provisions contained in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules during the Reporting Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as a code of conduct of the Company for Directors’ securities transactions. Having made specific enquiry with all Directors, each of the Directors confirmed that he/she has complied with the required standard set out in the Model Code and the Company’s code of conduct regarding Directors’ securities transactions throughout the Reporting Period.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company (the “**AGM**”) will be held on 6 June 2025 in Hong Kong. A notice convening the AGM will be published and despatched to the shareholders in the manner required by the Listing Rules in due course.

## **CLOSURE OF REGISTER**

The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of ordinary shares will be registered. In order to determine the identity of ordinary shareholder(s) who is entitled to attend and vote at the AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 2 June 2025.

## **SCOPE OF WORK OF BEIJING XINGHUA CAPLEGEND CPA LIMITED ON THIS PRELIMINARY ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Beijing Xinghua Caplegend CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Beijing Xinghua Caplegend CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Beijing Xinghua Caplegend CPA Limited on the preliminary announcement.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the websites of the Company (<https://shengyuanhk.com>) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report for the year ended 31 December 2024 of the Company containing all information required by the Listing Rules will be available on the above websites in due course.

By order of the Board  
**Sheng Yuan Holdings Limited**  
**Zhou Quan**  
*Executive Director*

Hong Kong, 21 March 2025

*As at the date of this announcement, the Board consists of Mr. Zhou Quan and Mr. Zhao Yun (both being executive Directors), Mr. Huang Shuanggang (being a non-executive Director), Mr. Zhang Jinfan, Ms. Huang Qin and Mr. Guo Yaoli (all being independent non-executive Directors).*