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Value Convergence Holdings Limited

(Incorporated in Hong Kong with limited liability)

Website: <http://www.vcgroup.com.hk>

(Stock Code: 821)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “Board”) of directors (the “Directors”) of Value Convergence Holdings Limited (the “Company”) submits the audited consolidated results of the Company and its subsidiaries (collectively “VC Group” or the “Group”) for the year ended 31 December 2024 together with the audited comparative figures of the corresponding period in 2023.

FINANCIAL HIGHLIGHTS

	Year ended	
	2024	2023
	HK\$'000	HK\$'000
		(Restated)
Revenue from continuing operations	69,062	73,315
Loss for the year from continuing operations	(127,029)	(285,392)
Loss attributable to owners of the Company	(128,425)	(287,754)
Loss for the year from a discontinued operation	(2,117)	(2,806)
Loss per share (HK cents)		
Continuing and discontinued operations		
Basic	(5.19)	(12.05)
Diluted	(5.19)	(12.05)
Continuing operations		
Basic	(5.14)	(11.95)
Diluted	(5.14)	(11.95)
Final dividend per share (HK cents)	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS

VC Group is an established financial services group committed to delivering premier financial services and products that fulfill various investment and wealth management needs of clients in the Greater China region and extended into property investment as well. The Group's expertise includes (i) provision of financial services comprising securities brokering and dealing, financing services, corporate finance and other advisory services, asset management and insurance brokerage; (ii) proprietary trading; and (iii) property investment.

INDUSTRY OVERVIEW

The Hang Seng Index fluctuated throughout the year, searching for a bottom amid weak growth in Mainland China's economy and global capital flows, ranging from a low of 14,794 points on January 22 to a high of 23,241 points on October 7, with investor sentiment remaining cautious. The Hang Seng Tech Index continued to face challenges from regulatory pressures in Mainland China and competition in the global technology industry. Despite breakthroughs in the digital economy and artificial intelligence by tech giants like Tencent and Alibaba, overall market confidence remained subdued, leading to a lacklustre performance in the tech sector.

The Hong Kong IPO market sentiment was cautious in the first half of 2024, but IPO financing activities picked up significantly in the second half, accounting for more than 80% of total fundraising for the year. In 2024, there were 71 IPOs, representing a slight decrease of 3% from 2023. However, the total funds raised reached HK\$87.5 billion. This substantial increase of 89% year-on-year, placing Hong Kong the fourth globally in IPO fundraising.

In 2024, Hong Kong continued strengthening its position as an international asset management hub and green finance center. Hong Kong attracted increasing funds from Asia and the global market, particularly from Mainland China's high-net-worth individuals. However, competition from places like Singapore intensified, pushing Hong Kong to improve transparency in its legal and regulatory environment. Hong Kong has made great strides in promoting green bonds and sustainable financial products. The government's green bond program further attracted international investors, solidifying Hong Kong's position as a green finance hub in Asia.

BUSINESS REVIEW

Leveraging its financial prowess and extensive experience in the financial services industry throughout 2024, the Group continued to provide high-quality services to its clients. Amid market volatility, in addition to maintaining the sound operation of its core brokerage and financing businesses, the Group also sought to achieve progress in its newly-acquired property investment operations, also in its insurance brokerage businesses. The expansion of these businesses contributed as another sources of customer bases for the Group.

While the group still incurred losses in 2024, the results showed improvement compared to the previous year. This was attributed to a slower decline in the value of proprietary holdings, a decrease in staff costs and operating expenses, and a reduction in impairment losses on accounts receivable recognised during the year.

The Group's principal revenue streams were derived from its traditional brokerage and financing operations, collectively contributing approximately 80% of its total revenue. During 2024, the Group maintained its provision of various financial services, including local and overseas securities trading, placements, underwriting, and margin financing through VC Brokerage Limited ("VC Brokerage"). Additionally, the Group offered financing services through VC Finance Limited ("VC Finance"). The Group also took on the role of placing agent and underwriter for fundraising activities of Hong Kong-listed companies. It provided a range of financial and strategic advisory support services to clients, including offering corporate finance and other advisory services such as mergers and acquisitions advisory through VC Capital Limited ("VC Capital") and company secretarial services through VC Corporate Services Limited ("VCCS"). Due to market fluctuations, the Group's underwriting, sub-underwriting, placing and sub-placing commissions slightly decreased, alongside corporate finance and other advisory services and asset management, resulting in a reduction in segment revenue.

During 2024, the Group continued to spearhead the expansion of its securities trading services through VC Brokerage and insurance brokerage services through Experts Management Limited. Capturing the opportunities arising from the reopening of the Hong Kong and Mainland China borders, the Group's senior management team proactively reached out and attracted more clientele from Mainland China.

Included in financial assets at fair value through profit or loss, the Group held financial assets for trading, comprising equity securities listed in Hong Kong, worth approximately HK\$116.4 million as of 31 December 2024, a 25% decrease in market value from the previous year against the backdrop of a poor performing equity market and bearish investor sentiment. During the 2024, the Group held stocks mainly in industrials, which tumbled on weak corporate earnings. The Group generally invested in high-beta stocks whose volatility level was above that of the broader market, so the business segment faced fluctuations during the 2024.

The Group's focus on diversification was in evidence, as was its proactive approach to adapting to ever-changing market dynamics and exploring emerging opportunities. By expanding property investment segment, the Group aimed to stabilise revenue to diminish the risk by dependence to capital market.

Placing of 244,200,000 new shares under general mandate (lapsed)(the “Share Placing”)

On 22 February 2024, the Company entered into the share placing agreement (the “Share Placing Agreement”) with the VC Brokerage (the “Placing Agent”) which shall procure not less than six share placees to subscribe for up to 244,200,000 new Shares (the “Placing Shares”) at the share placing price of HK\$0.12 per Placing Share during the share placing period on a best effort basis. The Placing Shares represent (i) approximately 9.87% of the total number of issued ordinary shares of the Company (the “Shares”) as at the date of the Share Placing Agreement; (ii) approximately 8.99% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

As the conditions precedent as set out in the Share Placing Agreement were not fully satisfied or fulfilled by 29 May 2024, being the share closing date, the Share Placing Agreement lapsed and the Share Placing did not proceed. Details of the Share Placing had been disclosed in the Company's announcements dated 22 February 2024, 8 March 2024, 5 April 2024, 26 April 2024, 17 May 2024 and 29 May 2024.

Acquisition of Zhanhua Jiutai Gas Co, Ltd. (沾化久泰燃氣有限公司) (“Zhanhua Jiutai”) (lapsed) and placing of convertible bonds under specific mandate

On 22 February 2024, Astral Wealth Limited (“Astral Wealth”), the Company’s indirect wholly-owned subsidiary entered into the sale and purchase agreement with Beijing Zhonglu Longxiang Investment Co, Ltd. (北京中魯龍翔投資有限公司) (the “Vendor”) in relation to the acquisition of 24% of the total equity interest of Zhanhua Jiutai at the consideration of HK\$30,000,000 by the issue of the consideration convertible bonds by the Company. As certain conditions precedent under the sale and purchase agreement have not been fulfilled or waived (as the case may be) on or before 28 June 2024, Astral Wealth and the Vendor did not have to proceed with the transactions contemplated under the sale and purchase agreement.

On the same date, the Company entered into the convertible bonds placing agreement (the “CB Placing Agreement”) with the VC Brokerage (the “Placing Agent”) which shall procure not less than six placees to subscribe for the convertible bonds in the aggregate principal amount of up to HK\$84.0 million with the initial placing conversion price of HK\$0.12 on a best effort basis. As the conditions precedent as set out in the CB Placing Agreement were not fully satisfied by 7 August 2024, the CB Placing Agreement lapsed and the placing of the convertible bonds did not proceed.

Details of the transaction had been disclosed in the Company’s announcements dated 22 February 2024, 13 March 2024, 14 June 2024, 28 June 2024, 5 July 2024 and 7 August 2024; and the Company’s circular dated 22 May 2024.

Establishment of property investment business

On 16 March 2023, Astral Wealth Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement with two independent third parties to acquire a residential property located in Hong Kong, through acquisition of a Hong Kong private company, Polyton China Limited (the “Polyton China”), which hold the said property, at a consideration of HK\$18 million.

On 30 April 2024, the Group completed the acquisition of Polyton China. The property is currently leased out and provides the Group with rental income while offering potential for future property value appreciation.

Acquisition and disposal of 30% equity interest in Hainan Zhongtian Jiahe Industrial Co., Ltd.

On 26 July 2024, Shenzhen Huiying Zhichuang Technology Co., Ltd. (深圳市滙盈智創科技有限公司) (“Huiying Zhichuang”), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement, pursuant to which Zhongxi Energy (Beijing) Co., Ltd. (中熙能源(北京)有限公司) (the “Vendor”) agreed to sell to the Huiying Zhichuang, and the Huiying Zhichuang agreed to purchase from the Vendor, the sale interest at the consideration of RMB9,990 (equivalent to approximately HK\$10,700). The sale interest represents 30% of the entire equity interest in Hainan Zhongtian Jiahe Industrial Co., Ltd. (海南中天嘉合實業有限公司) (“Hainan Zhongtian Jiahe”).

The consideration has been fully paid on 19 August 2024. Details of the transaction had been disclosed in the Company’s announcements dated 26 July 2024 and 21 August 2024.

On 27 December 2024, the Group has entered into an agreement with an independent party to dispose the entire holding of 100% equity interest of Huiying Zhichuang to an independent third party for the consideration of RMB1 (equivalent to approximately HK\$1). The transaction was completed on 31 December 2024. The 30% equity interest in Hainan Zhongtian Jiahe has also been transferred.

Placing of Convertible Bonds under General Mandate (the “CB Placing”)

On 9 September 2024, the Company entered into a placing agreement (the “Placing Agreement”) with VC Brokerage (the “Placing Agent”), pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for the convertible bonds of the Company (the “Convertible Bonds”) on a best effort basis on the terms and subject to the conditions set out in the Placing Agreement. The Placing Agent shall procure not less than six placees to subscribe for the Convertible Bonds in the aggregate principal amount of up to HK\$30.0 million during the placing period. In the case of the conversion rights having been exercised in full at the initial conversion price of HK\$0.10 (subject to adjustment), a maximum of 300 million conversion shares to be allotted and issued by the Company, representing (i) approximately 12.13% of the existing total number of the Company’s issued Shares as at the Company’s announcement dated 9 September 2024; and (ii) approximately 10.82% of the total number of the Company’s issued Shares as enlarged by the allotment and issue of the 300 million conversion shares. Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the maximum gross proceeds from the Placing will be HK\$30,000,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$29.2 million which will be used for (i) repayment of liabilities of approximately HK\$6 million; and (ii) general working capital including but not limited to rental expenses, salary expenses and other office overhead of approximately HK\$23.2 million. On 26 September 2024, the CB Placing was completed and Convertible Bonds in the amount of HK\$14.4 million were issued and allotted on that date. Further details of the CB Placing are set out in the Company’s announcements dated 9 September 2024 and 26 September 2024.

The net proceeds from the CB Placing were used as follows:

Period under review	Purpose of usage	Intended use of net proceeds HK\$'000	Actual use of net proceeds up to 31 December 2024 HK\$'000	Remaining balance of unutilised net proceeds HK\$'000	Expected timeline for utilising the unutilised net proceeds
Since completion of CB Placing on 26 September 2024	General working capital	8,400	8,400	–	N/A
	Repayment of liabilities	6,000	6,000	–	N/A
		<u>14,400</u>	<u>14,400</u>	<u>–</u>	

Disposal of entire holding of 100% equity interest in D & K Asset Management (HK) Limited and VC Technology Assets Limited

On 19 September 2024, the Company as vendor entered into sale and purchase agreements with AIKEQI HK Limited (“AIKEQI”) as purchaser, pursuant to which the Company has agreed to sell to AIKEQI, and AIKEQI has agreed to purchase from the Company, (1) the entire holding of 100% equity interest in D & K Asset Management (HK) Limited (“D & K”) and the Company has agreed to assign to AIKEQI, and AIKEQI has agreed to receive the assignment of, the shareholder’s loan at an aggregate consideration of approximately of HK\$40,000; and (2) the entire holding of 100% equity interest in VC Technology Assets Limited (“VC Technology Assets”) and the Company has agreed to assign to AIKEQI, and AIKEQI has agreed to receive the assignment of, the shareholder’s loan at an aggregate consideration of approximately of HK\$20,000.

D & K is principally engaged in investment holding, and has three subsidiaries which are principally engaged in sales and marketing of digital assets. VC Technology Assets is also engaged in the same segment. As a result of the disposal, the Group discontinued the digital assets business. The disposal was completed on 27 September 2024 and gain on disposal of approximately HK\$416,000 was recorded in the consolidated financial statements accordingly.

OUTLOOK

Hong Kong’s economy is expected to reflect steady growth in 2025 as influenced by a blend of domestic policies and global economic dynamics. The HKMA will likely maintain a stable monetary policy to support economic growth while managing inflation. This may involve closely monitoring interest rate trends, especially in relation to the US Federal Reserve’s policies.

The local financial market will continue to be a global leader, with its IPO hub drawing significant attention from international businesses and investors. In 2025, it is set to strengthen its position further by diversifying its offerings and streamlining its regulatory processes. A wider range of industries, including technology, healthcare, and green finance, will likely seek to tap into the capital markets, reflecting Hong Kong's diverse economic landscape. Overall, the IPO market in Hong Kong is poised for a robust 2025, with a mix of local and international companies aiming to leverage Hong Kong's financial infrastructure for growth and expansion.

In the financial services sector, the Group will continue to maintain its position as a comprehensive service provider. To further strengthen its market position, it plans to adopt strategic initiatives and allocate additional resources to the development of its insurance brokerage business, which is expected to achieve attractive returns for the Group in the near future. The Group recognises the value of leveraging the established reputations and expertise of Experts Management Limited, which can help it attract a broader range of clients and offer them a comprehensive suite of insurance brokerage services. In adopting business diversification and risk mitigation strategies, the Group will make every effort to accelerate the growth of its insurance brokerage business.

FINANCIAL REVIEW

For the year ended 31 December 2024, the Group's consolidated revenue was approximately HK\$69.1 million, which decreased by about 6% as compared with the same period in 2023 of approximately HK\$73.3 million. The Group recorded a consolidated loss attributable to owners of the Company amounted to approximately HK\$128.4 million for the year ended 31 December 2024 compared to approximately HK\$287.8 million for the same period in 2023.

The loss in the Group's consolidated result mainly attributable to owners of the Company in 2024 compared to 2023 was mainly attributable to (i) decrease in impairment loss on accounts receivable of approximately HK\$64.8 million; and (ii) decrease in the net realised and unrealised loss on financial assets held-for-trading of approximately HK\$82.7 million.

To facilitate the review, the Group's revenue and segment information shown in Notes 3 and 4 to the consolidated financial statements is reproduced below after some rearrangements:

Revenue Analysis

	2024		2023		
	Proportion of total revenue		Proportion of total revenue		Increase (decrease)
	HK\$'000	%	HK\$'000	%	%
Revenue from continuing operations:					
Brokerage and Financing	55,374	80%	59,674	81%	(7%)
Brokerage commission and other related fees	4,758	7%	4,414	6%	8%
Underwriting, sub-underwriting, placing and sub-placing commission	689	1%	1,459	2%	(53%)
Interest income from brokerage clients	20,417	30%	19,507	27%	5%
Interest income from money lending clients	29,510	42%	34,294	46%	(14%)
Corporate Finance and Other Advisory Services	3,847	6%	4,813	7%	(20%)
Asset Management	2,338	3%	2,165	3%	8%
Insurance Brokerage	7,223	10%	6,663	9%	8%
Proprietary Trading	–	–	–	–	–
Property Investment	280	1%	–	–	–
Total revenue	69,062	100%	73,315	100%	(6%)

Segment Analysis

	2024 HK\$'000	2023 HK\$'000 (Restated)
Segment results:		
Brokerage and Financing	(42,250)	(110,531)
Corporate Finance and Other Advisory Services	(4,321)	(5,788)
Asset Management	588	(630)
Insurance Brokerage	(281)	(274)
Proprietary Trading	(50,387)	(132,370)
Property Investment	(4,184)	–
	<hr/>	<hr/>
Group segment loss	(100,835)	(249,593)
Fair value change on financial asset at fair value through profit or loss	–	(5,400)
Gain on disposal of subsidiaries	8	2,437
Unallocated administrative costs	(25,992)	(38,367)
Share of (loss) profit of associates	(89)	61
	<hr/>	<hr/>
Loss before taxation	(126,908)	(290,862)
Income tax (expenses) credit	(121)	5,470
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Loss for the year from continuing operations	(127,029)	(285,392)
Loss for the year from discontinued operation	(2,117)	(2,806)
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Loss for the year	(129,146)	(288,198)
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Brokerage and Financing

During the year ended 31 December 2024, the Company, through VC Brokerage, provides securities brokering and dealing, margin financing, and placing and underwriting services. It also through another indirect wholly owned subsidiary, VC Finance, provides money lending services. For the year ended 31 December 2024, the brokerage and financing businesses recorded total revenue of approximately HK\$55.4 million as compared with approximately HK\$59.7 million for the same period last year, representing a decrease of about 7%, and accounted for about 80% of the Group's total revenue.

Brokerage service

The Group's brokerage commission and other related fees from dealing in securities for the year ended 31 December 2024 amounted to approximately HK\$4.8 million, which was about 8% higher than that of 2023 of approximately HK\$4.4 million, and accounted for about 7% of the Group's total revenue. The Group's brokerage transactions recorded increase with average daily trading turnover increasing from approximately HK\$5.9 million in 2023 to that of 2024 of approximately HK\$6.3 million, being an increase of about 7%.

Financing service

The Group's total interest income from financing for the year ended 31 December 2024 decreased by about 7% to approximately HK\$49.9 million from approximately HK\$53.8 million for the same period last year, and accounted for about 72% of the Group's total revenue. The revenue included the interest income derived from both the brokerage business and the money lending business.

Financing service: Brokerage clients

The Group's interest income from our brokerage clients recorded approximately HK\$20.4 million for the year ended 31 December 2024, representing an increase of about 5% as compared to approximately HK\$19.5 million for the same period last year. The increase was mainly attributable to the increase of average loan portfolio of our brokerage clients by about 39% for the year ended 31 December 2024 as compared with the same period last year. For the year ended 31 December 2024, there was an additional impairment loss of approximately HK\$19.2 million on brokerage client receivables (2023: HK\$43.4 million) in accordance with the Group's credit control policies and procedures and requirements of relevant accounting standard. The average interest rate for brokerage clients is approximately 12%. Almost all brokerage client receivables are pledged with securities held by the clients.

Financing service: Money lending clients

The Group's interest income generated from the money lending services was approximately HK\$29.5 million for the year ended 31 December 2024, representing a decrease of about 14% as compared to approximately HK\$34.3 million for the same period last year.

During the year, the Group did not grant any new loan. (2023: nil).

As at 31 December 2024, the Group had 25 active loan accounts (comprising 16 individuals and 9 corporations) under the Company's loan portfolio. The Company provides its financing service to individual and corporation clients of different backgrounds. The money lending business was funded by the internal resources of the Group.

The average loan amount of these loan accounts was approximately HK\$14.1 million (2023: HK\$13.5 million). The percentage of amount of loans and interest receivables from the largest and the 5 largest customers to total loans and interest receivables are about 10% and 40% (2023: 10% and 39%) respectively. Certain loans are secured by collaterals including equity shares of certain listed and unlisted companies and legal charges on properties. Interest rates charged to customers range from 8% to 18% per annum as at 31 December 2024.

Additional information on money lending business

(I) Business model

The Group's money lending business is managed through our indirect wholly owned subsidiary, VC Finance, with money lenders license issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group's customers principally include high net worth individuals, private companies or listed companies introduced to the directors of the Company through business/ personal networks or are referred to the Group by its existing or former customers. There is no specific target loan size but each application would be dealt on its own merit. The Group finances this money lending business mainly by internal resources. The following internal control procedures are put in place:

Assessment and approval

Prior to granting of a loan, the Group carries out credit risk assessment on the customer, taking into account, inter alia, background of the customer or the customer's shareholders (as the case maybe), purpose of the loan, source of repayment, value of collateral and guarantee(s), if any, and the financial strength of the customer/shareholders/guarantors.

The approval process for granting loans include the completion of account opening form (for new customer) and know-your-customer assessment. The finance department would verify the information obtained (including identity, business background information and collateral information), check against supporting documents (including identity documents, address proof, securities statements, documents by conducting public searches and financial statements (for corporate borrowers)) and initiate credit assessment form for further processing. The board of directors of VC Finance would be responsible for approving the grant of the loans. The legal and compliance department would prepare the loan documentation for signing.

In addition, the financial controller of the Group is responsible for conducting the size test to determine if a proposed loan would trigger any disclosure requirement under the Listing Rules. The financial controller will also review the information of the potential client to ascertain if a proposed loan may constitute a connected transaction under the Listing Rules. If the proposed loan triggers any disclosure requirements under the Listing Rules, the financial controller will arrange the board meeting for the directors of VC Finance and Executive Committee of the Group to resolve the resolution in relation to the approval of the proposed loan and make necessary disclosure as required by the Listing Rules.

Principal of determining the interest rate

The basic interest rate charged to clients generally starts from 18% per annum. Additionally, collateral may be required following negotiations with the clients. However, providing collateral does not automatically result in a lower interest rate, nor does the absence of collateral guarantee a higher rate. In certain cases, a lower interest rate may be accepted due to strong client requests, with the Group assessing the risk associated with lending, as well as considering its cash position, finance costs, and the opportunity cost of the funds involved.

Monitoring and recovery

If a customer does not repay the loan principal or accrued interest in accordance with the loan agreement, the finance department would promptly report to the credit committee of VC Finance including all directors of VC Finance. The credit committee members of VC Finance meet once a month to review the status of all customers, discuss necessary actions required and serves as an input for loan classification in calculating impairment loss on loan receivables for financial reporting purpose.

The actions taken for recovering delinquent loans would include examination and evaluation of the relevant loan status, discussion with the customer and internal discussion about formulating possible action plan. Recovery strategy involve a wide range of actions including revision of repayment terms, addition of collaterals/guarantee, execution of settlement agreement, foreclosure of collaterals/enforcement of guarantees and commencement of legal proceedings. The Group strives to strike a successful balance in its business operations and risk management by adhering to its credit policies in order to control the quality of its loan portfolio. The Group has also appointed an independent internal control advisor to conduct independent review on adequacy and effective of internal control systems of the Group's money lending business.

(II) Major terms of the loans granted

Summary

	2024	2023
Number of active loan accounts	25	25
Average loan amount	HK\$14.1 million	HK\$13.5 million
Percentage of amount of total loans and interest receivables from the largest customer	10%	10%
Percentage of amount of total loans and interest receivables from the largest 5 customers	40%	39%
Average duration	9.2 months	8.5 months
Interest rate range (per annum)	8% to 18%	8% to 18%

Secured Loans

	2024	2023
Percentage of loans secured by collaterals including listed and unlisted equity securities and legal charge on properties ("Secured Loans")	37%	35%
Average duration	11.8 months	9.2 months
Interest rate range (per annum)	12% to 18%	12% to 18%

Unsecured Loans

	2024	2023
Percentage of loans with no collateral (“Unsecured Loans”)	63%	65%
Average duration	8.0 months	7.8 months
Interest rate range (per annum)	8% to 18%	8% to 18%

When determining the terms of unsecured loans, the Group paid further attention on business background, financial position, repayment ability and reputation (including but not limited to their disclosed shareholdings and directorship in various listed companies) of respective borrowers and the Group’s potential business opportunities with them. The Group will take appropriate legal actions against the unsecured borrowers with an aim of recovery from their other assets in the event of prolonged defaults.

The money lending licence has been obtained by VC Finance since 2003. The business strategy of VC Finance focuses on providing larger loan amounts to high-net-worth clients, allowing the Company to charge higher interest rates. These clients are usually being financially well-established, typically seek loans to enhance their investment opportunities. They possess strong investment strategies and a high level of financial acumen, which contributes to the protection of their wealth and the management of substantial assets, thereby presenting a relatively lower risk for the Company.

The abovementioned clients of VC Finance primarily fit this profile. They are reputable or famous in the investment field and/or possess the expertise to manage and grow their financial portfolios effectively. By targeting this specific client segment, VC Finance is able to leverage the financial stability and strategic foresight of its clients to mitigate risks and secure returns for the Group. This strategy not only supports the growth of the money lending business but also aligns with the Company’s broader goals of achieving sustainability in long term.

In light of the significant changes in economic conditions following the pandemic and the current market sentiment in Hong Kong, marked by a stagnant stock market and the downturn in the property market, the directors of VC Finance have conducted a thorough review of the money lending business strategy. It is also noted that many previously successful investors (including individuals, families and/or companies), who are the target clients of the Group, are now encountering financial difficulties such as bankruptcy and liquidation, the Company has decided to adopt a more cautious approach in the money lending business. As a result, the Company will be highly selective in approving new loans until there is a clear improvement in the economic environment. Concurrently, the Company will focus on enhancing the management of existing loan receivables and strengthening its cash position. This prudent strategy will ensure that the Company remains well-positioned to capitalise on future business opportunities as they arise.

(III) Impairment recognition as at year end

The Group applies the general approach, which is often referred to as “three-stage model”, under HKFRS 9, in which Expected Credit Loss (“ECL”) of loan receivables are determined based on (a) the changes in credit quality of the loan receivables since initial recognition, and (b) the estimated expectation of an economic loss of the loan receivables under consideration.

Under the general approach, there are two measurement bases for allowance of ECL: (a) 12-month ECL, which are the ECL that result from default events that are possible within 12 months after the reporting date and are calculated as the allowance for ECL on loan receivables weighted by the probability of default accumulated over the 12 months after the reporting date; (b) lifetime ECL, which are the ECL that result from all possible default events over the expected life of loan receivables and are calculated as the allowance for ECL on loan receivables weighted by the probability of default accumulated over the entire life of the loan receivables.

The allowance for ECL on loan receivables are derived from gross credit exposure, recovery rate and probability of default. The Group uses the following ECL formula to calculate the allowance for ECL on its loan receivables:

Allowance for ECL = gross credit exposure x adjusted probability of default x (1 – recovery rate)

For ECL assessment, the Group’s loan receivables are classified as follows:

- (i) Stage 1 (Performing) includes loan receivables that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these loan receivables, 12-month ECL are recognised.
- (ii) Stage 2 (Doubtful) includes loan receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these loan receivables, lifetime ECL are recognised.
- (iii) Stage 3 (Default) includes loan receivables that have objective evidence of impairment and are considered as credit-impaired financial assets at the reporting date. For these loan receivables, lifetime ECL are recognised.

Details of impairment recognition is as below:

	As at 31 December 2024 <i>HK\$'million</i>	As at 31 December 2023 <i>HK\$'million</i>
Stage 1	–	0.1
Stage 2	76.3	93.1
Stage 3	149.0	78.5
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Total	225.3	171.7
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For the year ended 31 December 2024, the above estimation was under the management's credit assessment on the borrowers' commitment and performance to repay the loans. The rate of loans receivable ECL range from 22% to 100% (2023: 1% to 100%).

(IV) Net impairment loss recognised during the year ended 31 December 2024

	No. of loans	Amount <i>HK\$'million</i>
Existing Stage 2 loans		
– With ECL impairment	11	28.4
– With ECL reversal	2	(1.6)
– No movement	1	–
Existing Stage 3 loans		
– With ECL impairment	4	26.8
– With ECL reversal	N/A	–
– No movement	7	–
	<hr/>	<hr/>
Total	25	53.6
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Analysis of significant impairment on certain customers for the year ended 31 December 2024 are presented below:

	Impairment amount <i>HK\$'million</i>	Detailed reasons for additional impairment
Existing Stage 2 loans		
Customer A	7.8	No repayment despite with collaterals
Customer B	5.0	Minimal repayment despite with collaterals
Customer C	2.9	Minimal repayment despite with collaterals
Customer D	2.7	Minimal repayment despite with collaterals
Customer E	2.7	Reduction in value of securities as collaterals and not responsive
6 other customers	<u>7.3</u>	
	<u><u>28.4</u></u>	
Existing Stage 3 loans		
Customer F	10.9	Adjudged bankrupt during the year
Customer G	6.8	Under legal proceeding during the year
Customer H	6.8	Substantial shareholder adjudged bankrupt during the year and cannot be reached
Customer I	<u>2.3</u>	Under legal proceeding during the year
	<u><u>26.8</u></u>	

In summary, aggregate ECL impairment was approximately HK\$55.2 million (2023: HK\$94.0 million) while aggregate ECL reversal was approximately HK\$1.6 million (2023: HK\$0.6 million), resulting in net ECL impairment of approximately HK\$53.6 million (2023: HK\$93.4 million) during the year.

Loan by categories and their collaterals details were as below:

Category of borrowers	Loan products	Number of loans	Receivables gross carrying amount <i>HK\$'million</i>	Interest rate range per annum	Collateral details
Corporate	Term loan	3	62.6	15.6%-18%	Shares of certain listed companies
	Term loan	6	84.4	8%-18%	Nil
		<u>9</u>	<u>147.0</u>		
Individual	Term loan	1	20.1	18%	Landed properties in Hong Kong
	Term loan	4	47.1	12%-18%	Shares of certain listed companies
	Term loan	11	138.3	12%-18%	Nil
		<u>16</u>	<u>205.5</u>		
		<u>25</u>	<u>352.5</u>		

Loan by borrowers' background or industry profile details were as below:

	Number of loans	Receivables gross carrying amount <i>HK\$'million</i>
Private investors	16	196.1
Substantial shareholder or director of listed companies	2	32.7
Financial services provider	3	79.3
Energy	2	21.7
Manufacturing	1	18.9
Subsidiary of listed company	1	3.8
	<u>25</u>	<u>352.5</u>

The Group rely on its own credit assessment more particularly described in this section above in conducting the money lending business and hence does not obtain external credit rating on the borrowers.

Maturity profile of the loans were as below:

	Receivables gross carrying amount <i>HK\$'million</i>	No. of rollover times
Matured	344.6	0-7
To be matured in 6 months	<u>7.9</u>	0-1
	<u><u>352.5</u></u>	

The following factors have been principally considered when evaluating a loan rollover:

Repayment Situation

If the borrower has demonstrated the ability and commitment to meet repayment obligations and/or has made partial repayments of the loan, indicating ongoing cash flow and partial fulfillment of loan terms, the rollover will be considered.

Collateral or Security

The rollover of the loan will also be considered for any collateral, securities with value, or guarantees are provided.

Terms of Loan Rollover

The Group carefully reviews the terms of the loan rollover when approving it. The rollover period is generally assessed to provide flexibility, enabling the Company to pursue repayment at any time.

Market Conditions

It is important to emphasise that most of the loan rollovers occurred between 2020 and 2023, during the COVID-19 pandemic. The Group has also taken the then prevailing market conditions, including economic trends, interest rate movements, and market prospects as well as the specific government policy when considering a loan rollover.

For those matured loans, the Company held negotiations with the borrowers in serious manner with an aim to agree settlement plans or obtain further collaterals to protect the Company's position. For those borrowers from whom satisfactory responses are unable to obtain, the Company shall take formal legal actions to recover the loans.

Compliance with Chapter 14 and/or 14A of the Listing Rules and Money Lenders Ordinance

The Group is required to, and has at all times, strictly comply with all relevant laws and regulations. The Company has complied with those requirements as set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrower whose loan was still outstanding as at 31 December 2024.

In addition to the Listing Rules, the Money Lenders Ordinance constituted a major governance on the Group's money lending business in Hong Kong. During the year ended 31 December 2024, VC Finance did not receive any objection from and was not investigated by the Registrar of Money Lenders (currently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

The Company has complied with requirements set out in Chapter 14 of the Listing Rules when it granted or renewed loans to each of the borrowers. Renewal agreements were entered into with the borrowers in all renewal cases. To the best of the Directors' knowledge, information and belief based on internal records, the Company does not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrowers whose loans were still outstanding as at 31 December 2024.

The credit risk assessment of the unsecured loans was performed by the Company using an internal process with holistic consideration on background, financial resources, source of repayment and repayment history of the relevant borrowers and purpose of the loans. The Company's directors consider the terms of each of the unsecured loans are fair and reasonable and in the interests of the Company and its shareholders.

The Group has put efforts on implementing our credit control policies and procedures to review our clients' creditworthiness and credit limits from time to time so as to minimise our credit risk exposure. The Group's credit control policies and procedures are principally based on the doubtful unsecured exposure having assessed the fair value of the clients' collaterals held, the evaluation of collectability and aging analysis of the client accounts. The Group will take all necessary legal actions against the relevant clients to follow up the settlement of the outstanding loans.

Placing and underwriting services

Meanwhile, the Group offers placing and underwriting services to our clients, and acts as placing agent and underwriter for Hong Kong listed companies' fund-raising activities. For the year ended 31 December 2024, the Group's placing and underwriting commission was approximately HK\$0.7 million as compared with approximately HK\$1.5 million for the same period last year. The Group will continue to put efforts to capture the opportunities towards the local initial public offerings and other fund-raising exercises.

Overall, the brokerage and financing businesses recorded a loss after tax of approximately HK\$42.3 million for the year ended 31 December 2024 as compared with a loss of approximately HK\$110.5 million for the same period last year. The deterioration of the performance in 2023 was mainly due to the substantial impairment loss in accounts receivable based the ECL model.

Corporate Finance and Other Advisory Services

The Company through its indirect wholly owned subsidiary, VC Capital, provides corporate finance and other advisory services to its clients. The Company through its another indirect wholly owned subsidiary, VCCS, provides corporate services, including company secretarial services, registered office and business services, etc., to listed and private companies.

For the year ended 31 December 2024, the Company's corporate finance and other advisory services recorded revenue and loss after tax of approximately HK\$3.8 million and HK\$4.3 million as compared with revenue of approximately HK\$4.8 million and loss after tax of approximately HK\$5.8 million for the same period last year, respectively.

Asset Management

During the year ended 31 December 2024, the Group's asset management segment recorded revenue of approximately HK\$2.3 million (2023: HK\$2.2 million) and profit after tax of approximately HK\$0.6 million (2023: loss after tax of HK\$0.6 million). Following the reopen of borders which allows the Group's senior members visit potential clients in China, the Group is optimistic on asset management of providing solid results.

Insurance Brokerage

The Group, through Experts Management Limited, an indirect wholly owned subsidiary, was engaged in the provision for insurance brokerage service. Experts Management Limited owns insurance broker company licence and is entitled to conduct long term insurance business. During the year, Experts Management Limited recorded revenue of HK\$7.2 million (2023: HK\$6.7 million) with a loss after tax of approximately HK\$281,000 (2023: HK\$274,000).

Proprietary Trading

As at 31 December 2024, the Group held equity securities listed in Hong Kong of approximately HK\$116.4 million, (31 December 2023: HK\$155.1 million) as financial assets held-for-trading, which was stated at market value. The fair value of these listed equity securities represents about 26% of the Group's total assets as at 31 December 2024 (31 December 2023: 27%). A few securities with relatively heavy weights within the portfolio were not performing well during the year ended 31 December 2024, resulting in an overall loss during the year.

The Group invests mainly through purchases in the secondary market. The management follows strictly the internal securities investment policy and seeks the approval from the Board, when necessary, so as to enhance the financial returns to the shareholders and limit the risk exposure associated therewith. During the year ended 31 December 2024, there was net sale in securities investment of approximately HK\$71.1 million (2023: sale of HK\$129.3 million).

No revenue from the proprietary trading business as at 31 December 2024 and for the same period was recorded in 2023. The Group recognised net loss of approximately HK\$44.0 million (including a realised loss of approximately HK\$66.6 million and unrealised gain of approximately HK\$22.6 million) on the trading investments for the year ended 31 December 2024 as compared to approximately HK\$126.7 million (including realised loss of approximately HK\$112.4 million and unrealised loss of approximately HK\$14.3 million) for the same period in 2023.

Below is an analysis of the financial assets held-for-trading held by the Group as at 31 December 2024:

Industries	Market value as at 31 December 2024 <i>HK\$' million</i>	Percentage to the Group's total assets	Unrealised gain (loss) for the year ended 31 December 2024 <i>HK\$' million</i>
Energy	2.1	0.5%	7.0
Information technology	1.7	0.4%	12.2
Consumer goods and services	44.7	10.0%	11.1
Financials	11.2	2.5%	13.8
Industrials	56.7	12.6%	(21.5)
	<u>116.4</u>	<u>26.0%</u>	<u>22.6</u>

While the performance of different industries did vary, the Group cautiously monitors the investment portfolio and shall be determined to make any strategic moves. The loss incurred during year 2024 was in line with the plummet of global capital market. Overall, the Group's proprietary trading business recorded loss after tax of approximately HK\$50.4 million for the year ended 31 December 2024 (2023: HK\$132.4 million).

Property Investment

Following the completion of acquisition of Polyton China disclosed above, the Group immediately entered into a rental agreement for monthly rental since May 2024. It recorded the revenue of approximately HK\$280,000 and a loss after tax of approximately HK\$4.2 million as at the year ended 31 December 2024.

Unallocated administrative costs

For the year ended 31 December 2024, the unallocated administrative costs amounted to approximately HK\$26.0 million as compared with approximately HK\$38.4 million for the same period last year, which mainly included the unallocated corporate operating expenses. The decrease in the unallocated administrative costs of approximately HK\$12.4 million in 2024 was mainly attributable to the streamlined of manpower and absence of share-based payment expense occurred in 2024.

Income tax expenses/credit

For the year ended 31 December 2024, the Group recognised income tax expense of approximately HK\$121,000 (2023: credit of HK\$5.5 million) which included deferred tax expenses of approximately HK\$121,000 (2023: overprovision of approximately HK\$4.0 million and deferred tax credit of approximately HK\$1.5 million). The deferred tax (credit) expenses was recognised mainly in relation to the convertible bonds issued by the Company.

Finance costs

For the year ended 31 December 2024, the finance costs of the Group amounted to approximately HK\$4.3 million (2023: HK\$3.8 million), out of which approximately HK\$0.2 million (2023: HK\$0.6 million) was incurred pursuant to the effective interest expense of convertible bonds issued by the Company during the year ended 31 December 2024, together with some finance costs incurred in relation to the Group's brokerage and financing businesses and interest expenses on lease liabilities.

Headcount and employee information

As at 31 December 2024, the Group employed a total of 56 employees (31 December 2023: 74), which excluded 12 self-employed account executives for brokerage services and asset management services (31 December 2023: 12), and 56 and nil (31 December 2023: 64 and 10) were located in Hong Kong and the PRC respectively. Salaries and staff benefit costs (including the Directors' emoluments) and staff commission amounted to approximately HK\$33.6 million and HK\$1.7 million respectively for the year ended 31 December 2024 as compared with approximately HK\$52.5 million and HK\$2.2 million respectively for the same period last year. The decrease in the salaries and staff benefits costs of approximately HK\$18.9 million in 2024 was mainly attributable to the drop of PRC staff due to disposal of sales and marketing of digital asset segment and absence of share-based payment expense occurred in 2024.

The Group's employees are selected, remunerated and promoted based on their performance and qualifications. In addition to basic salaries and participation in Mandatory Provident Fund Scheme, the Group also provides medical coverage, sales commission, discretionary and performance related bonus, discretionary share options and share awards to its employees. Meanwhile, employees are provided or funded to attend training and development programs which are relevant to their works.

Liquidity and financial resources/capital structure

For the year ended 31 December 2024, the Group financed its business operations and investments with internal resources, cash revenue generated from operating activities, convertible bonds and margin financing.

The Group adopts a prudent treasury policy. As at 31 December 2024, bank balances and cash were denominated in Hong Kong dollars and Renminbi as to approximately HK\$16.9 million and HK\$1.1 million (2023: HK\$15.1 million and HK\$2.3 million) respectively. The Group intends to maintain minimum exposure to foreign exchange risks and those Renminbi is mainly for the operation need. All the bank balances and cash were put in saving deposits and current accounts as at 31 December 2024.

As at 31 December 2024, the Group obtained margin financing facilities from certain brokerage firms in the amount of HK\$15.9 million (2023: HK\$18.5 million) and margin loans obtained amounted to approximately HK\$20.3 million (2023: HK\$20.8 million).

As at 31 December 2024 and 2023, the Group did not hold any banking facilities.

As at 31 December 2024, the Group's bank balances and cash, net current assets and total equity (other than clients' segregated accounts) amounted to approximately HK\$18.4 million (31 December 2023: HK\$17.7 million), HK\$349.6 million (31 December 2023: HK\$462.0 million) and HK\$384.7 million (31 December 2023: HK\$513.3 million) respectively, representing increase of about 4%, decrease of about 24% and 25% respectively as compared with that of 31 December 2023. Current ratio, expressed as current assets over current liabilities, was at about 8 times as at 31 December 2024 (31 December 2023: 9 times).

As at 31 December 2024, the total numbers of issued ordinary shares of the Company were 2,473,523,040 (31 December 2023: 2,473,523,040).

Charges on group assets

As at 31 December 2024, trading securities with fair value of approximately HK\$77.1 million (31 December 2023: HK\$95.2 million) were pledged with certain brokerage firms to obtain margin financing.

As at 31 December 2024, the investment property with fair value of approximately HK\$14.2 million were pledged for a loan of HK\$9 million from an independent money lender.

Foreign exchange exposure

It is the Group's policy for all operating entities to use corresponding local currency as much as possible so as to minimise exchange related risks. For the year ended 31 December 2024, majority of the Group's principal businesses were conducted and recorded in Hong Kong dollars. Impact from foreign exchange exposure mainly Renminbi was thus immaterial and no hedging against foreign currency exposure had been necessary. In view of the operational needs, the Group will continue to monitor the foreign currency exposure from time to time and take necessary action to minimise the exchange related risks.

Contingent liabilities

As at 31 December 2024 and 31 December 2023, the Group did not have any significant contingent liabilities.

Save as the legal actions taken by the Group as mentioned in the section "Brokerage and Financing" above, so far as known to the Directors, there was no other litigation or claim of material importance in which the Group is engaged or pending or which was threatened against the Group.

Gearing ratio

As at 31 December 2024, the Group's gearing ratio, expressed as total borrowings (being the margin loans, lease liabilities and liability portion of convertible bonds) over total equity, was approximately 11% (31 December 2023: 6%).

Significant investments held, their performance and future prospects

Financial assets held-for-trading

Included in the financial assets held-for-trading as at 31 December 2024 was the Group's investment in 61,688,000 shares or approximately 0.81% of Hao Tian International Construction Investment Group Limited (Stock Code: 1341) ("Hao Tian") with fair value of approximately HK\$48.7 million, which amounts to approximately 11% of the Group's total assets. Hao Tian and its subsidiaries are principally engaged in: (i) securities investment; (ii) provision of securities brokerage and financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation services; (vi) property development; and (vii) money lending. The investment cost was approximately HK\$33.1 million. During the year ended 31 December 2024, its share price has decreased by approximately 24%. During the year ended 31 March 2024, their group recorded loss attributable to shareholders of approximately HK\$512 million, and no dividend was received from it. The loss was due to the fair value loss on financial assets and share of loss of associates. Hao Tian is a conglomerate with businesses diversified into different areas and is an excellent investment target. The Group was optimistic about its future prospect and intends to hold the investment with an aim for long term capital growth.

Material acquisitions and disposal of subsidiaries, associates and joint ventures

Save as completion of the acquisition of Polyton China and disposal of D & K and VC Technology Assets disclosed above, the Group's did not have any material acquisition or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

Future plans for material investments or capital assets and their expected sources of funding in the coming year

As at 31 December 2024 and as at the date hereof, the Group had no other known plans with regard to material investments or capital assets and their expected sources of funding in the coming year.

Meanwhile, as at 31 December 2024, the Group did not have any significant commitments contracted but not provided for in respect of purchase of property and equipment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	2024 HK\$'000 (Audited)	2023 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	3	69,062	73,315
Other income	3	1,301	2,435
Other gains or losses, net	5	(47,569)	(129,018)
Impairment losses on accounts receivable, net		(72,775)	(137,586)
Impairment losses on goodwill		–	(694)
Impairment losses on other receivables		(2,721)	–
Staff costs		(35,274)	(54,744)
Commission expenses		(7,770)	(7,766)
Depreciation of property and equipment		(660)	(846)
Depreciation of right-of-use assets		(6,956)	(7,150)
Amortisation of other intangible assets		(287)	(215)
Finance costs		(4,279)	(3,766)
Other operating expenses		(18,891)	(24,888)
Share of (loss) profit of associates		(89)	61
Loss before tax	6	(126,908)	(290,862)
Income tax (expense) credit	8	(121)	5,470
Loss for the year from continuing operations		(127,029)	(285,392)
Discontinued operation			
Loss for year from discontinued operation	9	(2,117)	(2,806)
Loss for the year		(129,146)	(288,198)
Other comprehensive expenses for the year			
Items that will not be classified subsequently to profit or loss:			
Fair value change of financial assets at fair value through other comprehensive income		(2,127)	(6,153)
Exchange differences on translation of foreign operations		17	(90)
Total comprehensive expenses for the year		(131,256)	(294,441)

	<i>Note</i>	2024 HK\$'000 (Audited)	2023 <i>HK\$'000</i> (Restated)
Loss for the year attributable to:			
Owners of the Company			
– Continuing operations		(127,018)	(285,381)
– Discontinued operation		<u>(1,407)</u>	<u>(2,373)</u>
		<u>(128,425)</u>	<u>(287,754)</u>
Non-controlling interests			
– Continuing operations		(11)	(11)
– Discontinued operation		<u>(710)</u>	<u>(433)</u>
		<u>(721)</u>	<u>(444)</u>
		<u>(129,146)</u>	<u>(288,198)</u>
Total comprehensive expenses for the year attributable to:			
Owners of the Company			
– Continuing operations		(129,145)	(291,531)
– Discontinued operation		<u>(1,405)</u>	<u>(2,463)</u>
		<u>(130,550)</u>	<u>(293,994)</u>
Non-controlling interests			
– Continuing operations		(11)	(14)
– Discontinued operation		<u>(695)</u>	<u>(433)</u>
		<u>(706)</u>	<u>(447)</u>
		<u>(131,256)</u>	<u>(294,441)</u>
Loss per share (HK cents)	10		
From continuing and discontinued operations			
– Basic and diluted		<u>(5.19)</u>	<u>(12.05)</u>
From continuing operations			
– Basic and diluted		<u>(5.14)</u>	<u>(11.95)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Goodwill		7,630	7,630
Trading rights		–	–
Other intangible assets		4,000	4,287
Interest in an associate		749	838
Property and equipment		882	1,487
Investment properties		14,230	–
Statutory deposits		1,592	1,518
Rental and utility deposits		1,537	523
Right-of-use assets		7,526	7,170
Financial assets at fair value through profit or loss		–	12,700
Financial assets at fair value through other comprehensive income		14,312	16,439
Deferred tax assets		–	143
		52,458	52,735
Current assets			
Inventories		–	1,339
Accounts receivable	11	261,982	312,861
Prepayments, deposits and other receivables		2,334	29,363
Financial assets at fair value through profit or loss		116,436	155,133
Bank balances and cash		18,391	17,721
		399,143	516,417
Current liabilities			
Accounts payable	12	2,003	3,429
Accrued liabilities and other payables		13,592	23,204
Other borrowing		9,000	–
Margin loan payables		20,318	20,838
Lease liabilities		4,586	6,967
		49,499	54,438
Net current assets		349,644	461,979
Total assets less current liabilities		402,102	514,714

	2024 HK\$'000	2023 HK\$'000
Non-current liabilities		
Deferred tax liabilities	690	537
Convertible bonds	13,476	—
Lease liabilities	3,244	895
	<u>17,410</u>	<u>1,432</u>
Net assets	<u>384,692</u>	<u>513,282</u>
Capital and reserves		
Share capital	1,810,848	1,810,848
Reserves	(1,426,121)	(1,297,131)
Equity attributable to owners of the Company	384,727	513,717
Non-controlling interests	<u>(35)</u>	<u>(435)</u>
Total equity	<u>384,692</u>	<u>513,282</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company is 6/F, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong.

The Company and its subsidiaries (the “Group”) are principally engaged in the provision of financial services, proprietary trading, insurance brokerage service and property investment.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group’s financial year beginning 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs issued 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.

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

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that, except as described below, the application of the other new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

3. REVENUE AND OTHER INCOME

Revenue principally arises from the (i) financial services which consists of the provision of securities, brokering and dealing, provision of margin financing and money lending services, provision of placing and underwriting services, mergers and acquisitions services, and corporate finance and other related advisory services; (ii) proprietary trading; (iii) asset management; (iv) insurance brokerage service; and (v) rental income.

Revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major services lines		
– Brokerage commission and other related fees from dealing in securities	4,758	4,414
– Underwriting, sub-underwriting, placing and sub-placing commission	689	1,459
– Asset management	2,338	2,165
– Arrangement, referral, advisory and other fee income	3,847	4,813
– Insurance brokerage	7,223	6,663
	<u>18,855</u>	<u>19,514</u>
Revenue from other sources		
– Interest income from clients	49,927	53,801
– Rental income for investment property under operating leases – fixed lease payment (<i>note</i>)	280	–
	<u>50,207</u>	<u>53,801</u>
	<u><u>69,062</u></u>	<u><u>73,315</u></u>

Note: An analysis of the Group's net rental income is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income from investment property	280	—
Direct operating expenses incurred for investment property that generated rental income during the year (include property expenses)	<u>(58)</u>	<u>—</u>
Net rental income	<u>222</u>	<u>—</u>

Disaggregation of revenue from contracts with customers by timing of recognition

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)
Timing of revenue recognition		
At a point in time	13,004	12,862
Over time	<u>5,851</u>	<u>6,652</u>
	<u>18,855</u>	<u>19,514</u>

Other income

	2024 HK\$'000	2023 HK\$'000 (Restated)
Interest income from authorised institutions	758	870
Other interest income	495	1,099
	<hr/>	<hr/>
Total interest income	1,253	1,969
	<hr/>	<hr/>
Government grants (<i>note</i>)	30	430
Sundry income	18	36
	<hr/>	<hr/>
	1,301	2,435
	<hr/> <hr/>	<hr/> <hr/>

Note: During the year 31 December 2024, the Group recognised government grants of HK\$30,000 (2023: HK\$430,000) related to Hong Kong Institute of Human Resource Management Job Creation Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies.

4. SEGMENT INFORMATION

The Group's operating businesses are organised and managed separately, according to the nature of products and services provided, with each segment representing a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments.

The Group manages its businesses by divisions, which are organised by different business lines.

Information reported to the Group's Executive Committee, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment is prepared on this basis. The Group has identified the following six (2023: five (restated)) reportable segments under HKFRS 8 Operating Segments as follows:

- (i) the brokerage and financing segment engages in securities brokering and dealing, provision of margin financing and money lending, and placing and underwriting services;
- (ii) the corporate finance and other advisory services segment engages in provision of corporate financial advisory services and company secretarial services;
- (iii) the asset management segment engages in provision of asset management services;
- (iv) the insurance brokerage segment engages in provision of insurance brokerage services;
- (v) the proprietary trading segment engages in trading of equity securities, debt securities and other financial products; and
- (vi) the property investment segment engages in earning rentals from investment property.

Property investment segment was commenced during the year ended 31 December 2024.

An operating segment regarding the sales and marketing of digital assets was discontinued in the current year. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more details in note 9.

The following tables presented revenue and results of these reportable and operating segments for the years ended 31 December 2024 and 2023.

Year ended 31 December 2024

Continuing operations	Brokerage and financing <i>HK\$'000</i>	Corporate finance and other advisory services <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Insurance brokerage <i>HK\$'000</i>	Proprietary trading <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	55,374	3,847	2,338	7,223	-	280	69,062	-	69,062
Intra-segment sales	360	1,560	-	-	-	-	1,920	(1,920)	-
	<u>55,734</u>	<u>5,407</u>	<u>2,338</u>	<u>7,223</u>	<u>-</u>	<u>280</u>	<u>70,982</u>	<u>(1,920)</u>	<u>69,062</u>
Segment (loss) profit	<u>(42,250)</u>	<u>(4,321)</u>	<u>588</u>	<u>(281)</u>	<u>(50,387)</u>	<u>(4,184)</u>	<u>(100,835)</u>	<u>-</u>	<u>(100,835)</u>
Unallocated administrative costs									(25,992)
Gain on disposal of subsidiaries									8
Share of loss of associates									(89)
Loss before tax (continuing operations)									<u>(126,908)</u>

Year ended 31 December 2023 (Restated)

Continuing operations	Brokerage and financing <i>HK\$'000</i>	Corporate finance and other advisory services <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Insurance brokerage <i>HK\$'000</i>	Proprietary trading <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	59,674	4,813	2,165	6,663	-	73,315	-	73,315
Intra-segment sales	720	922	-	-	-	1,642	(1,642)	-
	<u>60,394</u>	<u>5,735</u>	<u>2,165</u>	<u>6,663</u>	<u>-</u>	<u>74,957</u>	<u>(1,642)</u>	<u>73,315</u>
Segment loss	<u>(110,531)</u>	<u>(5,788)</u>	<u>(630)</u>	<u>(274)</u>	<u>(132,370)</u>	<u>(249,593)</u>	<u>-</u>	<u>(249,593)</u>
Unallocated administrative costs								(38,367)
Fair value change on financial assets at FVTPL								(5,400)
Gain on disposal of subsidiaries								2,437
Share of profit of an associate								61
Loss before tax (continuing operations)								<u>(290,862)</u>

5. OTHER GAINS OR LOSSES, NET

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Net exchange loss	(38)	(1)
Gain on disposal of property and equipment	230	–
Fair value change of financial assets at FVTPL	–	(5,400)
Fair value change of investment property at FVTPL	(3,770)	–
Gain on disposal of subsidiaries	8	2,437
Net realised and unrealised loss on financial assets held-for-trading	(43,999)	(126,663)
Others	–	609
	<u>(47,569)</u>	<u>(129,018)</u>

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

Continuing operations

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Included in other operating expenses:		
Auditor's remuneration	1,630	1,694
Depreciation of property and equipment	660	846
Depreciation for right-of-use assets	6,956	7,150
Entertainment and travel expenses (mainly incurred for business development)	3,168	5,979
	<u>3,168</u>	<u>5,979</u>

7. DIVIDENDS

No dividends was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

8. INCOME TAX EXPENSE (CREDIT)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Continuing operations		
Over provision in prior year		
Hong Kong Profits Tax	–	(3,952)
Deferred tax	<u>121</u>	<u>(1,518)</u>
	<u><u>121</u></u>	<u><u>(5,470)</u></u>

9. DISCONTINUED OPERATION

On 19 September 2024, the Company entered into sale and purchase agreements with an independent third party to disposal its wholly owned subsidiary, D&K Asset Management (HK) Limited and VC Technology Assets Limited. Through this disposal, 100% directly held subsidiary by D&K Asset Management (HK) Limited and its 100% and 51% indirectly held subsidiaries (together with D&K Asset Management (HK) Limited and VC Technology Assets Limited collectively referred to as the “Disposal Group”) were also disposed of accordingly, at a cash consideration of an aggregate amount of approximately of HK\$60,000. The Disposal Group carried out all of the Group’s sales and marketing of digital assets segment which represented a separate major line of business of the Group. As a result, it has been presented as a discontinued operation in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024 and 2023. The disposal was completed on 27 September 2024, on which date the control of the Disposal Group was passed to the acquirer.

The loss for the period/year from the discontinued operation is analysed as follows:

	1/1/2024 – 27/9/2024 <i>HK\$'000</i>	1/1/2023 – 31/12/2023 <i>HK\$'000</i>
Loss of sales and marketing of digital assets segment for the period/year	(2,533)	(2,806)
Gain on disposal of sales and marketing of digital assets segment	<u>416</u>	<u>–</u>
	<u><u>(2,117)</u></u>	<u><u>(2,806)</u></u>

The results of the sales and marketing of digital assets for the period/year were as follows:

	1/1/2024 – 27/9/2024 HK\$'000	1/1/2023 – 31/12/2023 HK\$'000
Revenue	1,345	2,823
Other income	1	11
Staff costs	(792)	(2,673)
Depreciation of property and equipment	(36)	(60)
Other operating expenses	(3,117)	(2,836)
	<hr/>	<hr/>
Loss before taxation	(2,599)	(2,735)
Income tax credit (expense)	66	(71)
	<hr/>	<hr/>
Loss for the period/year	(2,533)	(2,806)
	<hr/> <hr/>	<hr/> <hr/>

10. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000 (Restated)
Loss		
Loss for the purpose of basic and diluted loss per share	(128,425)	(287,754)
	<hr/> <hr/>	<hr/> <hr/>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	2,473,523	2,388,954
	<hr/> <hr/>	<hr/> <hr/>

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2024 HK\$'000	2023 HK\$'000 (Restated)
Loss for the year attributable to the owners of the Company	(128,425)	(287,754)
Add: Loss for the year from discontinued operation	<u>1,407</u>	<u>2,373</u>
Loss for the purpose of basic and diluted loss per share from continuing operation	<u>(127,018)</u>	<u>(285,381)</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operation

Basic and diluted loss per share for the discontinued operation is HK\$0.06 cents per share (2023: HK\$0.10 cents per share), based on the loss for the year from the discontinued operation of approximately HK\$1,407,000 (2023: HK\$2,373,000) and the denominators detailed above for both basic and diluted loss per share.

The computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in a decrease in loss per share for the years ended 31 December 2024 and 2023.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 31 December 2024. The computation of diluted loss per share does not assume the exercise of the Company's options since their exercise would result in a decrease in loss per share for the year ended 31 December 2023.

11. ACCOUNTS RECEIVABLE

	2024 HK\$'000	2023 HK\$'000
Accounts receivable arising from the ordinary course of business of dealing in:		
Securities transactions (<i>note a</i>):		
Clearing house	1,314	1
Rolling balance cash clients	82,059	48,994
Less: Impairment loss	(14,267)	(5,021)
	<u>69,106</u>	<u>43,974</u>
Accounts receivable arising from the ordinary course of business of provision of corporate finance and other advisory services (<i>note b</i>)	4,181	4,185
Less: Impairment loss	(3,636)	(3,646)
	<u>545</u>	<u>539</u>
Accounts receivable arising from the ordinary course of business of money lending services (<i>note c</i>)	352,531	337,725
Less: Impairment loss	(225,331)	(171,748)
	<u>127,200</u>	<u>165,977</u>
Accounts receivable arising from the ordinary course of business of dealing in:		
Securities transactions:		
Margin clients (<i>note d</i>)	115,291	142,266
Less: Impairment loss	(56,307)	(46,351)
	<u>58,984</u>	<u>95,915</u>
Accounts receivable arising from the ordinary business of asset management (<i>note e</i>)	5,627	5,917
Accounts receivable arising from the ordinary course of insurance brokerage (<i>note f</i>)	415	225
Accounts receivable arising from the ordinary business of sales and marketing of digital assets (<i>note g</i>)	–	314
Accounts receivable arising from the ordinary business of property investment (<i>note h</i>)	105	–
	<u>261,982</u>	<u>312,861</u>

- (a) The settlement terms of accounts receivable arising from the ordinary course of business of dealing in securities transactions are two trading days after the trade date. Accounts receivable from clearing house and majority of accounts receivable from cash clients represent trades pending settlement arising from the business of dealing in securities transactions.

In respect of the accounts receivable arising from dealing in securities, except for those amounts due from margin clients, the aging analysis based on the trade date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	992	7,665
31 – 90 days	6,034	11,524
Over 90 days	62,080	24,785
	<u>69,106</u>	<u>43,974</u>

- (b) The settlement terms of accounts receivable arising from provision of corporate finance and other advisory services are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	129	131
31 – 90 days	28	159
Over 90 days	388	249
	<u>545</u>	<u>539</u>

- (c) No aging analysis is disclosed as in the opinion of Directors as the aging analysis is not meaningful in view of the revolving nature of the business of money lending services.
- (d) No aging analysis is disclosed as in the opinion of Directors as the aging analysis is not meaningful in view of the revolving nature of the business of margin loan financing.

- (e) The settlement terms of accounts receivable arising from the ordinary course of business of asset management are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	49	22
31 - 90 days	94	33
Over 90 days	<u>5,484</u>	<u>5,862</u>
	<u>5,627</u>	<u>5,917</u>

- (f) The settlement terms of accounts receivable arising from the ordinary course of business of insurance brokerage are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	<u>415</u>	<u>225</u>

- (g) The settlement terms of accounts receivable arising from the ordinary course of business of sales and marketing of digital assets are normally due immediately from date of billing but the Group may grant a credit period of 30 days on average to its clients. The aging analysis of these receivables based on the invoice date is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	<u>–</u>	<u>314</u>

- (h) The settlement terms of accounts receivable arising from the ordinary course of business of property investments are normally due immediately from date of billing. The aging analysis of these receivables based on the invoice date is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	35	–
31 – 90 days	<u>70</u>	<u>–</u>
	<u>105</u>	<u>–</u>

12. ACCOUNTS PAYABLE

	2024 HK\$'000	2023 HK\$'000
Accounts payable arising from dealing in securities (<i>note a</i>):		
Clearing house	109	493
Cash clients	1,047	587
Margin clients	473	33
	<u>1,629</u>	<u>1,113</u>
Accounts payable arising from insurance brokerage (<i>note b</i>)	374	1,022
Accounts payable arising from sales and marketing of digital assets (<i>note c</i>)	<u>–</u>	<u>1,294</u>
	<u><u>2,003</u></u>	<u><u>3,429</u></u>

- (a) No aging analysis on accounts payable arising from dealing in securities is disclosed in the opinion of Directors as the aging analysis does not give additional value in view of the nature of this business.
- (b) The settlement terms of accounts payable arising from the ordinary course of business of insurance brokerage are normally due immediately upon presentation of statements. The aging analysis of this payable based on the statement dates is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	<u>374</u>	<u>1,022</u>

- (c) The settlement terms of accounts payable arising from the ordinary course of business of sales and marketing of digital assets are normally due immediately from date of transferring the title of the digital assets. The aging analysis of this payable based on the entitlement of custody of the digital products is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	<u>–</u>	<u>1,294</u>

13. EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, there were no other significant events required to be disclosed.

DIVIDEND

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

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining a high standard of corporate governance so as to ensure better transparency and protection of shareholders' interests. The Company has complied with the code provisions set out in the Corporate Governance Code (the "CG Code") for the year ended 31 December 2024, which were contained in Appendix C1 of the Listing Rules.

The Company has set up the following board committees to ensure maintenance of a high corporate governance standard:

- a. Executive Committee;
- b. Audit Committee;
- c. Remuneration Committee; and
- d. Nomination Committee.

The terms of reference of all the aforesaid board committees are given at the Company's website under the section "Corporate Governance".

AUDIT COMMITTEE

The Company's Audit Committee is currently composed of three Independent Non-executive Directors of the Company, namely, Mr. Wong Chung Kin, Quentin (Chairman), Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund. The primary duties of the Audit Committee are to (i) review the Group's financial statements and published reports; (ii) provide advice and comments thereon to the Board; and (iii) review and supervise the financial reporting process and internal control procedures of the Group. The Audit Committee has reviewed the Group's consolidated financial statements and results for the year ended 31 December 2024 and satisfied that these have been prepared in accordance with the applicable accounting standards and fairly present the Group's financial positions and results for the year ended 31 December 2024.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, the 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, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

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

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or brought back any of the Company's listed securities.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.vcgroup.com.hk. The Company's Annual Report for the year ended 31 December 2024 (the "2024 Annual Report") will be available on the same websites and will be dispatched to the Company's shareholders in due course.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year 2024 will be held in June 2025. A notice convening this annual general meeting will be issued to the shareholders of the Company together with the 2024 Annual Report in due course, which will also be available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.vcgroup.com.hk.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Fu Yiu Man, Peter (Chairman), Mr. Wong Kam Fat, Tony (Vice chairman), Mr. Lin Hoi Kwong, Aristo and Ms. Li Cindy Chen; and three Independent Non-executive Directors, namely, Mr. Wong Chung Kin, Quentin, Mr. Siu Miu Man, Simon, MH and Mr. Au Tin Fung, Edmund.

By Order of the Board of
Value Convergence Holdings Limited
Fu Yiu Man, Peter
Chairman & Executive Director

Hong Kong
28 March 2025