時富金融
CFSG

CASH FINANCIAL SERVICES GROUP LIMITED
時 富 金 融 服 務 集 團 有 限 公 司*
(Incorporated in Bermuda with limited liability)
(Stock code: 510)

ANNOUNCEMENT

OF

FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The audited consolidated results of CASH Financial Services Group Limited ("Company" or "CFSG") and its subsidiaries ("Group") for the year ended 31 December 2024 together with the comparative figures for the last corresponding year are as follows:

	Notes	**2024** **HK$'000**	2023 HK$'000
Revenue			
Fee and commission income		**27,957**	28,599
Interest income		**22,811**	29,766
Total revenue	(3)	**50,768**	58,365
Other income		**2,368**	9,332
Other gains (losses)		**21,883**	(629)
Salaries and related benefits		**(45,535)**	(41,521)
Commission expenses		**(4,777)**	(12,289)
Depreciation		**(10,570)**	(13,261)
Finance costs		**(9,985)**	(12,366)
Impairment losses under expected credit loss model, net of reversal		**(381)**	(42,906)
Other operating expenses	(5)	**(35,314)**	(36,862)
Loss before taxation		**(31,543)**	(92,137)
Income tax credit (expense)	(6)	**1,814**	(2,494)
Loss for the year		**(29,729)**	(94,631)

	Note	2024 HK$'000	2023 HK$'000
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on financial assets at fair value through other comprehensive income ("FVTOCI")		**(4,072)**	1,493
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(591)**	(1,757)
Other comprehensive expense for the year		**(4,663)**	(264)
Total comprehensive expense for the year		**(34,392)**	(94,895)
(Loss) profit attributable to:			
Owners of the Company		**(35,102)**	(95,247)
Non-controlling interests		**5,373**	616
		(29,729)	(94,631)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(40,011)**	(94,650)
Non-controlling interests		**5,619**	(245)
		(34,392)	(94,895)
Loss per share	(7)		
– Basic (HK cents)		**(8.4)**	(27.0)
– Diluted (HK cents)		**(8.4)**	(27.0)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2024** **HK$'000**	2023 HK$'000
Non-current assets			
Property and equipment		**10,294**	20,547
Intangible assets		**4,041**	4,041
Club debentures		**660**	660
Other assets		**4,280**	4,792
Rental and utility deposits		**1,137**	1,320
Financial assets at fair value through other comprehensive income		**4,806**	25,821
Financial assets at fair value through profit or loss ("FVTPL")		**4,592**	4,691
		29,810	61,872
Current assets			
Accounts receivable	(8)	**117,166**	128,766
Contract assets		**911**	2,838
Loans receivable	(9)	**7,686**	4,288
Prepayments, deposits and other receivables		**120,770**	134,392
Financial assets at FVTPL		**40,425**	36,284
Fixed deposits with original maturity over three months		**423**	–
Bank balances – trust and segregated accounts		**308,246**	346,215
Bank balances (general accounts) and cash		**88,488**	154,443
		684,115	807,226
Current liabilities			
Accounts payable	(10)	**351,582**	376,166
Accrued liabilities and other payables		**23,607**	33,880
Taxation payable		**2,015**	3,000
Bank borrowings		**46,025**	80,111
Loan from a related party		**–**	36,060
Amounts due to fellow subsidiaries		**29,805**	53,772
Provision for restoration		**1,630**	103
Financial liabilities arising from consolidated investment funds		**1,515**	122
Lease liabilities		**5,991**	10,221
		462,170	593,435
Net current assets		**221,945**	213,791
Total assets less current liabilities		**251,755**	275,663

	2024 HK$'000	2023 HK$'000
Non-current liabilities		
Loan from a related party	**25,103**	–
Deferred tax liabilities	**9,297**	11,111
Lease liabilities	**285**	7,055
Provision for restoration	**–**	1,630
	34,685	19,796
Net assets	**217,070**	255,867
Capital and reserves		
Share capital	**17,247**	17,247
Reserves	**189,533**	233,949
Equity attributable to owners of the Company	**206,780**	251,196
Non-controlling interests	**10,290**	4,671
Total equity	**217,070**	255,867

Notes:

(1) Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(2) Application of new and amendments to HKFRS Accounting Standards

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 "*Amendments to the Classification and Measurement of Financial Instruments*"

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 "*Presentation and Disclosure in Financial Statements*" ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1 "*Presentation of Financial Statements*", 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. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*" and HKFRS 7 "*Financial Instruments: Disclosures*". Minor amendments to HKAS 7 "*Statement of Cash Flows*" and HKAS 33 "*Earnings per Share*" are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Merger accounting for business combination involving a subsidiary under common control

On 19 December 2022, Confident Profits Limited ("CPL", an indirect wholly-owned subsidiary of CASH) as vendor and the Company as purchaser entered into an agreement, pursuant to which CPL conditionally agreed to sell, and the Company conditionally agreed to acquire, the 51% of the issued shares of CASH Algo Finance Group International Limited (the "Target Company", an indirect wholly-owned subsidiary of CASH) at the consideration of HK$61 million, which would be satisfied as to (i) HK$10 million in cash and (ii) HK$51 million by the issue of 120,000,000 new shares in the Company to CIGL, an indirect wholly-owned subsidiary of CASH, at completion ("Acquisition"). The Acquisition was completed on 30 May 2023.

The Acquisition was considered as a business combination under common control as the Company and its subsidiaries and the Target Company are both ultimately controlled by Dr Kwan Pak Hoo Bankee who is also CEO of the Company. The acquisition of the Target Company was accounted for using merger accounting in accordance with Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA. The Group and the Target Company are regarded as continuing entities.

(3) Total revenue

Disaggregation of revenue from contracts with customers

	2024 **HK$'000**	2023 HK$'000
Type of services		
Broking services	**11,816**	14,065
Wealth management services	**6,573**	6,722
Investment management services	**5,095**	4,545
Handling and other services	**4,473**	3,267
Total	**27,957**	28,599

Interest income

	2024 **HK$'000**	2023 HK$'000
Interest income arising from financial assets at amortised cost	**22,811**	29,766

Fee and commission income of HK$22,862,000 (2023: HK$24,054,000) is presented as financial services segment revenue and HK$5,095,000 (2023: HK$4,545,000) is presented as investment management segment revenue respectively in the segment information in note 4.

(4) Segment information

The Group is principally engaged in the following activities:

- provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products;
- proprietary trading of equity securities and derivatives;
- provision of margin financing and money lending services; and
- provision of investment management services.

Reportable and operating segment

Following the business combination under common control, the Chief Executive Officer of the Company, being the chief operating decision maker ("CODM"), reconsiders and reviews the income from financial services (including broking and wealth management services and proprietary trading activities) and investment management services for the purpose of resource allocation and performance assessment. This is the measure reported to the CODM for the purpose of resource allocation and assessment of performance.

Segment revenue and result

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment loss represents the loss incurred by the segment before certain net foreign exchange (loss) gain and unallocated corporate expenses.

Right-of-use assets and lease liabilities are not allocated to segments for the measurement of segment assets and liabilities while depreciation and impairment losses of right-of-use assets, and finance cost for lease liabilities are included in segment results. Certain financial asset at FVTPL are not allocated to segments for the measurement of segment assets while its fair value change on financial assets at FVTPL are included in segment results.

For the year ended 31 December 2024

	Financial services HK$'000	**Investment management HK$'000**	**Total HK$'000**
Revenue	**43,962**	**6,806**	**50,768**
RESULT			
Segment gain (loss)	**(33,065)**	**9,152**	**(23,913)**
Net foreign exchange loss			**(45)**
Unallocated corporate expense			**(7,585)**
Loss before taxation			**(31,543)**

For the year ended 31 December 2023

	Financial services HK$'000	Investment management HK$'000	Total HK$'000
Revenue	52,136	6,229	58,365
RESULT			
Segment (loss) gain	(90,638)	3,751	(86,887)
Net foreign exchange gain			706
Unallocated corporate expense			(5,956)
Loss before taxation			(92,137)

All the segment revenue is derived from external customers.

Segment assets and liabilities

All assets are allocated to the operating segments other than right-of-use assets included in property and equipment, financial assets at FVTOCI, certain financial assets at FVTPL, and certain property and equipment, other receivables and cash. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

All liabilities are allocated to the operating segments other than lease liabilities, amounts due to fellow subsidiaries, loan from a related party, provision for restoration and taxation payable. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

As at 31 December 2024

	Financial services HK$'000	**Investment management HK$'000**	**Total HK$'000**
ASSETS			
Segment assets	**568,213**	**122,678**	**690,891**
Property and equipment			**8,905**
Financial assets at FVTOCI			**4,806**
Financial assets at FVTPL			**4,592**
Other unallocated assets			**4,731**
Consolidated total assets			**713,925**
LIABILITIES			
Segment liabilities	**418,451**	**13,575**	**432,026**
Lease liabilities			**6,276**
Amounts due to fellow subsidiaries			**29,805**
Taxation payable			**2,015**
Loan from a related party			**25,103**
Provision for restoration			**1,630**
Consolidated total liabilities			**496,855**

As at 31 December 2023

	Financial services HK$'000	Investment management HK$'000	Total HK$'000
ASSETS			
Segment assets	677,725	135,602	813,327
Property and equipment			16,518
Financial assets at FVTOCI			25,821
Financial assets at FVTPL			4,691
Other unallocated assets			8,741
Consolidated total assets			869,098
LIABILITIES			
Segment liabilities	479,233	25,117	504,350
Lease liabilities			14,316
Amounts due to fellow subsidiaries			53,772
Taxation payable			3,000
Loan from a related party			36,060
Provision for restoration			1,733
Consolidated total liabilities			613,231

The Group's segment revenue from external customers determined based on location of operation of the Group and information about its non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Hong Kong (Place of domicile)	**45,734**	53,819	**19,262**	25,712
PRC	**5,034**	4,546	**13**	4,328
Total	**50,768**	58,365	**19,275**	30,040

There were no customers for the years ended 31 December 2024 and 2023 contributing over 10% of the Group's total revenue.

(5) Other operating expenses

	2024 HK$'000	2023 HK$'000
Handling expenses:		
– dealing in securities	**1,666**	1,758
– dealing in futures and options	**391**	355
Advertising and promotion expenses	**1,193**	1,733
Telecommunications expenses	**10,508**	9,433
Auditor's remuneration	**2,909**	2,570
Legal and professional fees	**3,827**	5,996
Printing and stationery expenses	**854**	1,293
Repair and maintenance expenses	**896**	1,499
Travelling and transportation expenses	**401**	553
Water and electricity expenses	**596**	873
Office management fee and rates	**1,930**	1,185
Others	**10,143**	9,614
	35,314	36,862

(6) Income tax (credit) expense

	2024 HK$'000	2023 HK$'000
Current tax:		
Hong Kong	**–**	–
PRC	**–**	–
Deferred tax	**(1,814)**	2,494
	(1,814)	2,494

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China (the "PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

(7) Loss per share

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

	2024 **HK$'000**	2023 HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share	**(35,102)**	(95,247)

	2024	2023
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**420,020,238**	352,736,423

For the years ended 31 December 2024 and 2023, the computation of diluted loss per share has not taken into account the effects of share options which are anti-dilutive.

(8) Accounts receivable

	Notes	**2024** **HK$'000**	2023 HK$'000
Accounts receivable arising from the business of dealing in securities:	(a)		
Clearing houses, brokers and dealers		**33,756**	34,599
Cash clients		**8,678**	2,579
		42,434	37,178
Accounts receivable arising from the business of margin financing	(b)	**114,506**	127,276
Less: allowance for impairment		**(55,243)**	(54,739)
		59,263	72,537
Accounts receivable arising from the business of dealing in futures and options:	(a)		
Cash clients		**184**	184
Clearing houses, brokers and dealers		**15,285**	18,867
		15,469	19,051
		117,166	128,766

(a) The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date or at specific terms agreed with clients, brokers, dealers and accounts receivable arising from the business of dealing in futures and options are one day after trade date. As at 1 January 2023, accounts receivable from cash clients, brokers, dealers and clearing houses arising from the business of dealing in securities amounted to HK$71,692,000.

(b) The Group provides customers with margin financing for securities transactions secured by customers' securities held as collateral. Securities are assigned with specific margin ratios for calculating margin values. Additional funds or collateral are required if the amount of accounts receivable from margin clients outstanding exceeds the eligible margin value of the securities deposited.

The customers' listed securities can be sold at the Group's discretion to settle any margin call requirements imposed by their respective securities transactions. The Group is able to use clients' securities up to the amount of 140% of the accounts receivable from margin clients as collateral of the Group's borrowings. The accounts receivable from margin clients are repayable on demand and bear interest at commercial rates. As at 31 December 2024, accounts receivable from margin clients are secured by clients' pledged securities with fair value of approximately HK$129,444,000 (2023: HK$169,837,000), of which 28% (2023: 35%) of accounts receivable arising from the business of margin financing are fully collateralised.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business in margin financing.

(9) Loans receivable

	2024 **HK$'000**	2023 HK$'000
Revolving loans receivable denominated in:		
Hong Kong dollars	**8,939**	5,351
United State dollars	**54**	367
Less: allowance for impairment	**(1,307)**	(1,430)
	7,686	4,288

As at 31 December 2024, loans receivable have contractual interest rates ranging from 6.1% to 10% per annum (2023: from 6.8% to 10.5% per annum). Included in the carrying amount of loans receivable as at 31 December 2024, HK$1,950,000 (2023: HK$312,000) and HK$2,501,000 (2023: HK$624,000) which are loan to one (2023: one) director and five (2023: two) senior management respectively, of the Group.

The carrying amount of the loans receivable has remaining contractual maturity dates as follows:

	2024 **HK$'000**	2023 HK$'000
On demand or within one year	**7,686**	4,288

(10) Accounts payable

	2024 **HK$'000**	2023 HK$'000
Accounts payable arising from the business of dealing in securities:		
Cash clients	**260,012**	277,002
Margin clients	**63,487**	66,830
Accounts payable to clients arising from the business of dealing in futures and options	**28,083**	31,815
Accounts payable to independent financial advisors arising from the business of wealth management services	**–**	519
	351,582	376,166

The settlement terms of accounts payable from the business of dealing in securities are usually two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Accounts payable to independent financial advisors arising from business of wealth management services are generally settled within 30 days upon receipt of payments from product issuers/clients.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK$308,246,000 (2023: HK$346,215,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

(11) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the bank borrowings, amounts due to fellow subsidiaries, loan from a related party and lease liabilities, and equity attributable to owners of the Company, comprising issued share capital, retained earnings (accumulated losses) and other reserves as disclosed in consolidated statement of changes in equity. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares and share options as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Certain group entities are regulated by the Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both years.

DIVIDEND

The directors of the Company does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

REVIEW AND OUTLOOK

Financial Review

For the year ended 31 December 2024, the Group recorded revenue of approximately HK$50.8 million. This represents a decrease compared to the previous year's revenue of approximately HK$58.4 million. The Group's main revenue comprised of broking income of approximately HK$11.8 million (2023: HK$14.1 million), provision of wealth management services of approximately HK$6.6 million (2023: HK$6.7 million), approximately HK$5.1 million from investment management services (2023: HK$4.5 million), interest income of approximately HK$22.8 million (2023: HK$29.8 million), and approximately HK$4.5 million from handling and other services (2023: HK$3.3 million).

During the year, the Hong Kong capital market remained relatively sluggish compared to the bullish sentiment in major global capital markets. Although the situation improved in the second half of the year, income from broking services, positioned as value-added offering to wealth management solutions, recorded a decrease of approximately 16.3% compared to last year.

The Group's income from the provision of wealth management services maintained stable (2024: HK$6.6 million; 2023: HK$6.7 million). Throughout the year, the Group expanded its wealth management and family office footprint within the Greater Bay Area ("GBA") as well as other major cities in the PRC. A new CEO was appointed to helm the wealth management business, alongside the strategic acquisition of top talents from premier wealth management firms within the PRC. In the second half of the year, the Group strategically targeted seizing the substantial market opportunities and addressing the growing demand for wealth management services in the region, further extending its reach to additional cities in the PRC, moving beyond the GBA.

Geopolitical conflicts and high global interest rates have introduced uncertainty and increased volatility in the financial markets. Despite these challenging conditions, our proprietary trading portfolios have successfully capitalised on the market's volatility, particularly in the energy and precious metals sectors, as well as the momentum in interest rates. This strategic approach has enabled us to achieve double-digit returns and significantly outperform our market peers by a large margin. Our investment management business delivered solid performance, reporting revenue of HK$5.1 million (2023: HK$4.5 million).

The decline in interest income of approximately HK$7.0 million (2024: HK$22.8 million; 2023: HK$29.8 million) and finance cost of approximately HK$2.4 million (2024: HK$10.0 million; 2023: HK$12.4 million) was mainly attributed to the stablising market interest rates. To optimise returns, the Group actively reallocated its idle cash to term deposits during the year.

Impairment charges were approximately HK$0.4 million in 2024 (2023: HK$42.9 million). The decrease was mainly attributable to stringent credit control and the increase in market prices or valuations of collaterals which led to decrease of credit losses.

Overall, the Group recorded a net loss attributable to the owners of the Company of approximately HK$35.1 million during the year as compared to a net loss attributable to the owners of the Company of approximately HK$95.2 million in 2023.

Impairment Allowances

Impairment allowance mainly consisted of provision for credit losses on accounts receivables arising from margin financing and loans receivables, the Group performs impairment assessment on these financial assets under the impairment framework and methodology of expected credit loss (“ECL”) model established by the Group in accordance with HKFRS 9 “Financial instruments”.

To minimise the credit risk on accounts receivables arising from margin financing and loans receivable, the Credit and Risk Management Committee is responsible for reviewing credit and risk management policies, approving credit limits and to determining any debt recovery actions on delinquent receivables. The assessment is based on close monitoring, evaluation of collectability and on management’s judgement, including but not limited to ageing analysis of receivables, the current creditworthiness, account executives concentration analysis, collateral distribution and concentration analysis and the past collection history of each client, and consideration of forward looking factors. In this regard, the directors of the Company consider that the Group’s credit risk is maintained at an acceptable level.

The accounts receivables arising from margin financing are collateralised by pledged shares of margin clients. As at 31 December 2024, the Group had concentration of credit risk on the accounts receivables from margin clients as the aggregate balances with the five largest clients represent approximately 61.1% (2023: 65.1%) of total accounts receivables from margin clients. During the year, margin financing with the total gross carrying amount of approximately HK$80.3 million as at 31 December 2024 (2023: HK$82.9 million) was assessed as credit-impaired state mainly due to further decline in the market price of listed securities pledged as collateral in the year and failure of the margin borrowers to fully make up the margin shortfall by providing additional collaterals or repayment. Additional impairment provision with a total amount of approximately HK$0.5 million (2023: HK$43.3 million) was made for the year.

For credit-impaired accounts receivable from margin clients, management performs individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group and subsequent settlement actions.

As at 31 December 2024, the Group had concentration risk on loans receivables as 32.9% (2023: 53.8%) of the outstanding balance is from the top borrower. During the year, an impairment reversal of approximately HK$0.1 million (2023: HK$0.4 million) in personal loans with the total gross carrying amount of approximately HK$4.4 million as at 31 December 2024 (2023: HK$4.6 million) due to settlement received upon repayment.

The Group has debt recovery procedures in place. For any loans with shortfall and/or overdue payments, demand letters and/or legal letters will be issued. If the borrower does not respond, the Group may engage external legal advisors for legal actions. At the same time, the Group will contact the borrower for additional collateral and/or settlement plan. The Group may also engage debt collection agents for such loan where appropriate. If the negotiation is not successful, or additional collateral is not sufficient or default in settlement plan, external legal advisers will issue final warning to the borrower. Subsequently, writs of summon will be served to the borrower to take proceedings to court.

Liquidity and Financial Resources

The Group's total equity amounted to HK$217.1 million as at 31 December 2024 compared to HK$255.9 million as at 31 December 2023. The decrease in the total equity was mainly due to the reported loss during the year. As at 31 December 2024, the Group's bank borrowings collateralised by clients' pledged securities to the Group of approximately HK$46.0 million (2023: HK$80.1 million). As at 31 December 2024, the Group's outstanding borrowings also included unsecured loan from a related party of HK$25.1 million (2023: HK$36.1 million). All of the Group's borrowings were denominated in Hong Kong dollars. They were variable-rate borrowings and carried interest with reference to HIBOR or Hong Kong Prime Rate. As at 31 December 2024, cash and bank balances including fixed deposit and the trust and segregated accounts had decreased to HK$397.2 million from HK$500.7 million as at 31 December 2023. The decline was mainly due to brokerage clients maintaining less cash with the Group due to the volatile and bearish securities market during the year. The Group derives its revenue and maintains bank balances in its house accounts mainly in Hong Kong dollars. Bank balances in its house accounts amounting to HK$61.1 million and HK$26.9 million at 31 December 2024 were denominated in Hong Kong dollars and other foreign currencies (mainly Renminbi and US dollar) respectively, whereas the bank balances in the trust and segregated accounts were denominated in the same currencies as those of the outstanding balances in the corresponding accounts payable.

The liquidity ratio as at 31 December 2024 increased to 1.48 times from 1.36 times as at 31 December 2023. The gearing ratio as at 31 December 2024, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, decreased from 45.4% to 32.8% as at 31 December 2024. The decrease in the gearing ratio reflects a relative improvement in the Group's financial leverage, primarily due to reduced borrowings and a slight improvement in negative equity. On the other hand, we have no material contingent liabilities at the end of the year. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all times throughout the period. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been complied with.

Foreign Exchange Risks

The Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches at the end of the year.

Material Acquisitions and Disposals

The Group did not make any other material acquisition and disposal during the year. There is no important event affecting the Group which has occurred since the end of the financial period.

Fund Raising Activities

The Company did not have any fund raising activity during the year.

Capital Commitments

The Group did not have any material outstanding capital commitments at the end of the year.

Material Investments

As at 31 December 2024, the market values of a portfolio of investments held for trading amounted to approximately HK$45.0 million (2023: HK$41.0 million). A net gain on investments held for trading of HK$23.1 million (2023: net loss HK$2.0 million) was recorded for the year. We did not have any future plans for material investments, nor addition of capital assets.

Financial and Operational Highlights

Revenue

(HK$'m)	**2024**	2023	% change
Broking income	**11.8**	14.1	(16.3%)
Wealth management income	**6.6**	6.7	(1.5%)
Investment management services	**5.1**	4.5	13.3%
Handling and other services	**4.5**	3.3	36.4%
Interest income	**22.8**	29.8	(23.5%)
Group total	**50.8**	58.4	(13.0%)

Key Financial Metrics

	2024	2023	% change
The Group			
Net loss attributable to owners of the Company (HK$'m)	**(35.1)**	(95.2)	(63.1%)
Loss per share (HK cents)	**(8.4)**	(27.0)	(68.9%)
Total assets (HK$'m)	**713.9**	869.1	(17.9%)
Cash and bank balances (HK$'m)	**88.5**	154.4	(42.7%)
Bank borrowings (HK$'m)	**46.0**	80.1	(42.6%)
Financial services			
Annualised average fee income from broking per active client (HK$'000)	**1.2**	1.4	(14.3%)
Investment management			
Net gain on financial assets at FVTPL (HK$'m)	**21.4**	10.7	100%

Business Review and Outlook

FINANCIAL SERVICES BUSINESS – CFSG

Market Overview

As a global financial hub serving as a bridge between mainland China and the rest of the world, Hong Kong's financial services sector in 2024 has once again been significantly shaped by the broader international political and economic landscape.

Trade restrictions, sanctions, and regulatory scrutiny imposed by major economies have introduced uncertainties to cross-border capital flows. Moreover, heightened geopolitical rivalries have increased market volatility, impacting investor sentiment and trading volumes in Hong Kong.

The global economy in 2024 has been characterised by persistent inflationary pressures, rising interest rates, and uneven regional growth, which have dampened investor appetite and reduced retail investor participation.

However, the expansion of cross-border investment programmes, such as Stock Connect and Bond Connect, has created opportunities for Hong Kong to facilitate capital flows between mainland China and international markets.

During the year, Hong Kong's locally domiciled public funds, including exchange-traded funds, recorded an impressive 88% increase in net inflows, driving total assets up by 22% year-on-year (YoY) to HK$1.64 trillion as investor sentiment improved. Meanwhile, Hong Kong's insurance industry continued to flourish in 2024, with total gross premiums rising by 12.2% YoY during the first three quarters.

Business Review

Building on Hong Kong's status as a global financial hub and its proximity to mainland China, CFSG has continued to attract a growing number of high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs) seeking sophisticated wealth management solutions.

The year 2024 has been a landmark for CFSG's family office business, marked by significant advancements in market expansion, client service, and product innovation. As a leading financial services provider, CFSG has strengthened its presence across key Asian markets, particularly in mainland China, while enhancing its services to meet the evolving needs of HNWIs.

One of the year's standout achievements was CFSG's strategic market expansion. In the third quarter, CFSG established a new office in Qingdao, complementing its expansion in China's three strategic development areas: the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and the Bohai Rim in northern China. This initiative has not only reinforced CFSG's footprint in China but also enabled it to better serve clients in the rapidly growing East Asian market through key partnerships with leading financial institutions in the region.

CFSG's External Asset Management (EAM) division experienced remarkable growth in 2024, with substantial increases in both client numbers and assets under management. The insurance division also achieved significant milestones, including record-breaking first-year and total premiums received.

The asset management division continued to deliver strong performance. Achieving an impressive 15.57% return in 2024, CASH Prime Value Equity OFC Public Fund surpassed numerous competitors within Hong Kong's equity market. By blending quantitative models with in-depth fundamental analysis, the fund's quantamental methodology effectively uncovered promising opportunities, especially within the technology and consumer industries in Hong Kong.

Furthermore, in early 2024, we launched the CASH Multi Strategy Fund which delivered an outstanding return of 19.50%, further strengthening its reputation for consistent performance. Leveraging a blend of market-neutral statistical arbitrage alongside trend-following and mean-reversion approaches, the fund demonstrated its ability to adapt and thrive across varying market environments.

CFSG also upgraded its trading platform, integrating it with the back-office system to enhance digitalisation and automation. This innovation has streamlined human resources, allowing reinvestment in more value-added growth areas.

Client engagement remained a priority, with CFSG organising a variety of offline and online activities to foster strong relationships and effective communication. Investment seminars were held to equip clients with the knowledge and tools necessary to navigate the rapidly evolving financial landscape.

Participation in major international financial forums, such as Hong Kong FinTech Week, further enhanced CFSG's brand visibility and expanded its client portfolio, supported by an enhanced sales team.

Additionally, CFSG leveraged social media platforms, including Facebook, Instagram, and YouTube, to maintain close ties with clients. For mainland clients, particularly in the Greater Bay Area (GBA), CFSG established a presence on popular platforms such as Xiaohongshu, WeChat public accounts, Kuaishou, and Douyin, receiving positive feedback and numerous inquiries.

These efforts culminated in CFSG being honoured with the "Guangdong-Hong Kong-Macao – Best Financial Service Award in the Greater Bay Area" at the Third Guangdong-Hong Kong-Macao Greater Bay Area Development Forum, recognising the company's exceptional performance and dedication to client service.

Furthermore, with enhanced liquidity inflows, Hong Kong regained its position among the top five global IPO venues. CFSG played a key role as a joint lead manager and underwriter for Horizon Robotics, a leading Chinese smart driving technology company, which executed the second-largest IPO in Hong Kong in 2024.

ESG

During the year, the Group's comprehensive Environmental, Social, and Governance (ESG) efforts continued to underscore its unwavering commitment to sustainability, community welfare, and corporate responsibility. These initiatives also show our commitment to promoting a healthy work-life balance and supporting the well-being of our employees.

Employee satisfaction, engagement, and team spirit are of paramount importance to us. We proudly took part in the "Say Yes to Breastfeeding" campaign, launched by the United Nations Children's Fund Hong Kong (UNICEF HK), by fostering a breastfeeding-friendly workplace.

The Group also actively sponsored and encouraged volunteer participation in the "Cycle for Millions" event organised by Pok Oi Hospital. This initiative not only supported the development of the hospital but also championed cycling as a sustainable lifestyle choice and promoted health awareness across Hong Kong. As a "Total Caring" organisation, we also formed a team of volunteers to participate in a flag-selling activity organised by Against Child Abuse, a charity dedicated to child welfare. This event aimed to raise funds for the organisation while increasing public awareness of child protection issues in Hong Kong.

The Group also took part in the Hong Kong Community Chest's "Dress Casual Day," encouraging staff to wear comfortable casual attire to work while contributing to fundraising efforts for those in need in the local community. Through this initiative, the Group sought to foster a spirit of care and mutual support, making a meaningful contribution to social causes while enhancing the well-being of the wider community.

In demonstrating our commitment to environmental protection and social responsibility, the Group partnered with Food Angel to prepare essential food aid for individuals in need, while simultaneously reducing food waste. We also participated in the World Wide Fund's (WWF) Earth Hour by turning off non-essential lights, raising awareness of environmental conservation and the fight against climate change. Additionally, the Group supported Greeners Action's Lai See Reuse and Recycle Programme, which encouraged eco-friendly practices in alignment with traditional New Year customs.

Outlook

The global economy faces ongoing challenges, including slower growth, persistent inflation, and an uncertain policy environment. A global trade war initiated by the US is exacerbating worldwide economic pressures, driving up US inflation, and delaying Federal Reserve rate cuts. Concern about a stagflationary shift looms large, with 71% of fund managers expecting stagflation in the global economy within the next 12 months.

In contrast, China is implementing stimulus measures and prioritising high-end manufacturing through New Qualitative Productivity as a new growth engine amid ongoing trade tensions with the US.

In response to this evolving landscape, CFSG is further rejuvenating its brokerage business into value-added offerings while transitioning into a wealth management specialist. By leveraging opportunities presented by the expanded Wealth Management Connect (WMC) Scheme, CFSG aims to cater to the diverse investment needs of its GBA clients.

Nowadays, implementing an investment model within a trading system capable of executing trades automatically based on the model's predictions, while integrating a real-time data feed, is essential for modern trading. Ensuring the system has access to real-time market data is critical for making swift investment decisions in response to rapidly changing market news and data.

Today, artificial intelligence (AI) has the potential to greatly enhance investment decision-making by employing advanced data analysis and machine learning techniques. By systematically gathering and analysing data, training predictive models, and executing algorithmic trading strategies, investors can make more informed and timely decisions. However, it is vital to remain mindful of the inherent risks and to continuously monitor and adapt strategies to evolving market conditions.

With this in mind, a research project was initiated to pioneer the application of AI in empowering our clients to make real-time decisions in global asset allocation and tactical security selection. Leveraging our over 50 years of experience in the international financial markets, we are confident that our new platform can deliver a user-friendly, interactive, and technically advanced investment model.

With a strong foundation in place, CFSG is poised to continue its growth trajectory, delivering innovative products and services that meet the diverse needs of its clients while maintaining an unwavering commitment to excellence.

ALGO TRADING BUSINESS – CAFG

Market Overview and Business Environment

The global commodities futures market in 2024 exhibited significant volatility, particularly in the metals and energy sectors. The Chinese commodity futures market experienced notable price fluctuations driven by supply-demand dynamics and policy changes. Metals market volatility created favorable conditions for quantitative trading strategies, while Middle East tensions and supply constraints influenced energy markets.

In Hong Kong, the equity market demonstrated resilience despite regional challenges. The Hang Seng Index showed notable strength, particularly in large-cap technology, healthcare, and insurance sectors. This market environment provided opportunities for our fundamental combined with quantitative investment approaches.

Business Review

On the business front, our strategic planning and positioning of the asset management business over the past few years have delivered notable results in 2024. We now manage one commodities futures fund and advise an equity portfolio and a CTA fund; all recorded respectable gains in 2024.

The CASH Multi Strategy Fund delivered an impressive 19.50% return in 2024, maintaining its consistent performance track record. The fund's market-neutral statistical arbitrage strategy combined with trend-following and reversion strategies proved effective in diverse market conditions. The fund's performance demonstrates the advantages of quantitative investing, with its systematic approach eliminating emotional bias and capturing market inefficiencies across multiple asset classes. The fund has proven valuable for portfolio diversification, showing minimal correlation with traditional asset classes. This characteristic was evident in 2024, as the fund maintained steady returns despite market volatility.

As a quant-focused research team, CASH Algo provides investment advice to CASH Prime Value Equity Fund, a public OFC fund launched in August 2022. The fund achieved a robust 15.57% return in 2024, outperforming many Hong Kong equity space peers. The fund's quantamental approach, combining quantitative screening with fundamental analysis, successfully identified opportunities in the Hong Kong market, particularly in technology and consumer sectors.

In 2024, the CTA Fund achieved a respectable 24.95% return, outperforming its peers after two years of slow market performance. The fund's success was driven by its momentum and reversion strategies, which capitalised on the volatility in the metals market. The fund's low correlation with traditional asset classes and other CTA funds provided diversification benefits, making it an attractive option for investors seeking to complement their overall asset allocation.

The proprietary portfolio, including futures and equities, achieved its target return in 2024 as hot money chased after precious metals to combat inflations. The increased transaction volume and volatility yield more trading opportunities for the models. The proprietary portfolio will continue contributing trading income to the Group and serve as a testing ground for trading ideas for the fund management portfolios.

Business Development

Key initiatives for business development focus on enhancing operations and growth by expanding investment-related services, leveraging the company's quantitative expertise to tap into emerging markets and opportunities. Additionally, efforts are directed toward strengthening distribution channels by investing in the training and development of the internal sales force, ensuring they are equipped with the skills and knowledge necessary to drive sales performance and effectively meet client needs.

Outlook

CASH Multi Strategy Fund and the CTA fund are well-positioned to capitalise on market volatility through their diverse strategy mix. We expect the fund to maintain its steady performance profile, particularly as market uncertainty may increase demand for non-correlated investments.

The CASH Prime Value Equity Fund is expected to benefit from monetary easing and fiscal stimulus in the Chinese economy, the lower PE of Hong Kong equities, and potential recovery in the local economy. Specific sectors like financial services, technology, and consumer discretionary will likely outperform. The fund's quantamental approach should continue identifying attractive opportunities in the evolving market environment.

Strategic priorities for 2025 center on enhancing the firm's capabilities and innovation by integrating artificial intelligence to bolster quantitative expertise, strengthening risk management systems to ensure resilience and stability, and developing new quantitative strategies tailored specifically for the dynamic and evolving market.

This comprehensive approach positions the company at the forefront of technological and financial advancements, while maintaining its growth trajectory and delivering consistent returns for investors in the evolving market environment.

EMPLOYEE INFORMATION

As at 31 December 2024, the Group had 106 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees for the year under review was HK$45.5 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programmes aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as products knowledge, operational techniques, risk and compliance, customer service, selling techniques, graduate development and also professional regulatory training programmes as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO. The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures, rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code") as the code governing the transactions of securities by the directors. After making specific enquiry to all directors, it is confirmed that all directors of the Company had complied with the relevant standard as provided in the Model Code throughout the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles as set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 of the Listing Rules. During the financial year ended 31 December 2024, the Company has complied with all the CG Code, except for the following deviations:

(1) Pursuant to code provision C.2.1, the roles of chairman and chief executive officer should be separate and not be performed by the same individual. Dr Kwan, the executive director and Chairman of the Board also acted as chief executive officer ("CEO") of the Company during the underlying year. Dr Kwan is responsible for formulating the strategies and policies of the business development of the Group, providing leadership and overseeing the functioning of the Board. The dual role of Dr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The CEOs of respective business units of the Group assisted Dr Kwan in performing CEO's responsibilities and are responsible for formulating business plans and monitoring the business operation and development of the Group, and report regularly to the Chairman. The balance of power and authorities is also ensured by the operation of the Board and the senior management, which comprise experienced and high caliber individuals. In addition, the 3 INEDs provide independent and impartial opinion on issues to be considered by the Board. The Board is of the opinion that the current Board structure functions effectively.

(2) Pursuant to code provision C.1.6, generally independent non-executive directors and other non-executive directors should also attend general meetings. Mr Cheng Shu Shing Raymond, independent non-executive director of the Company, did not attend the annual general meeting of the Company as he had other engagements.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

REVIEW OF RESULTS

The Group's audited consolidated results for the year ended 31 December 2024 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the final results announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the final results announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

On behalf of the Board
Bankee P. Kwan
Chairman & CEO

Hong Kong, 28 March 2025

As at the date hereof, the directors of the Company are:–

Executive directors:

Dr Kwan Pak Hoo Bankee, *BBS, JP*
Mr Kwan Teng Hin Jeffrey
Mr Cheung Tsz Yui Morton
Ms Wong Sze Kai Angela
Mr Lai Wai Kwong Daryl

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Mr Lo Ming Chi Charles
Dr Chan Ho Wah Terence

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* *For identification purpose only*