華富建業國際金融有限公司
QUAM PLUS INTERNATIONAL FINANCIAL LIMITED

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)

Stock Code 股份代號: 952

迎變而生 創新立業

FLOURISH
IN THE CHANGING
WORLD

2024 年報
Annual Report

This report is printed on environmentally friendly paper 本報告以環保紙印製

Contents

Definitions

"Audit Committee"	means	the audit committee of the Company
"Board"	means	the board of Directors
"Bye-laws"	means	the bye-laws of the Company, as amended from time to time
"China Oceanwide"	means	China Oceanwide Holdings Limited (in liquidation), a company incorporated in Bermuda with limited liability and an indirect subsidiary of Oceanwide Holdings, the shares of which are listed on the Stock Exchange (Stock Code: 715)
"Company"	means	Quam Plus International Financial Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock code: 952)
"Corporate Governance Code"	means	the Corporate Governance Code as set out in Appendix C1 of the Listing Rules
"Director(s)"	means	the director(s) of the Company
"Executive Committee"	means	the executive committee of the Company
"Group"	means	the Company and its subsidiaries
"HK$"	means	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	means	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	means	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	means	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"Mr. HAN"	means	Mr. HAN Xiaosheng, the Co-Chairman of the Board and executive Director
"Mr. LAM"	means	Mr. Kenneth LAM Kin Hing, the Co-Chairman of the Board, executive Director and Chief Executive Officer of the Group
"Nomination Committee"	means	the nomination committee of the Company
"Oceanwide Holdings"	means	Oceanwide Holdings Co., Ltd.* (泛海控股股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which were previously listed on the Shenzhen Stock Exchange and were delisted in February 2024
"Oceanwide Holdings IF"	means	Oceanwide Holdings International Financial Development Co., Ltd., a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Oceanwide Holdings
"PRC"	means	the People's Republic of China, which for the purpose of this annual report, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Quam Tonghai Holdings"	means	Quam Tonghai Holdings Limited, a company incorporated in Hong Kong with limited liability, which is beneficially owned as to 51% by Mr. LAM and 49% by Mr. HAN
"Remuneration Committee"	means	the remuneration committee of the Company
"SFO"	means	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Share(s)"	means	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	means	holder(s) of the Shares
"Share Award Scheme"	means	the Restricted Share Award Scheme of the Company adopted on 19 August 2010
"Share Option Scheme"	means	the Share Option Scheme of the Company adopted on 23 September 2020
"Stock Exchange"	means	The Stock Exchange of Hong Kong Limited
"U.S."	means	United States of America
"%"	means	per cent.

For the purpose of this annual report, unless otherwise specified or the context requires otherwise, "" denotes an English translations of a Chinese name and is for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. HAN Xiaosheng *(Co-Chairman)*
Mr. Kenneth LAM Kin Hing *(Co-Chairman and Chief Executive Officer)*
Mr. LIU Hongwei

Non-executive Director
Mr. WANG Liuqi *(Appointed on 23 January 2025)*

Independent Non-executive Directors
Mr. Roy LO Wa Kei
Mr. LIU Jipeng
Ms. Cindy KONG Siu Ching

AUDIT COMMITTEE

Chairman:	Mr. Roy LO Wa Kei
Members:	Mr. LIU Jipeng
	Ms. Cindy KONG Siu Ching

EXECUTIVE COMMITTEE

Chairman:	Mr. Kenneth LAM Kin Hing
Vice-Chairman:	Mr. HAN Xiaosheng
Member:	Mr. LIU Hongwei

NOMINATION COMMITTEE

Chairman:	Mr. HAN Xiaosheng
Members:	Mr. Kenneth LAM Kin Hing
	Mr. Roy LO Wa Kei
	Mr. LIU Jipeng
	Ms. Cindy KONG Siu Ching

REMUNERATION COMMITTEE

Chairman:	Mr. LIU Jipeng
Members:	Mr. LIU Hongwei
	Ms. Cindy KONG Siu Ching

COMPANY SECRETARY

Ms. Hortense CHEUNG Ho Sze

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F and 24/F (Rooms 2401 and 2412)
Wing On Centre
111 Connaught Road Central
Hong Kong

AUDITOR

HLB Hodgson Impey Cheng Limited
Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

LEGAL ADVISERS

As to Hong Kong law
Howse Williams

As to Bermuda law
Conyers Dill & Pearman

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
(with effect from 1 January 2025)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
China Minsheng Banking Corp., Ltd. Hong Kong Branch
Chong Hing Bank Limited
Dah Sing Bank, Limited
Fubon Bank (Hong Kong) Limited
Nanyang Commercial Bank, Limited
Shanghai Commercial Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

STOCK CODE

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COMPANY'S WEBSITE

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INVESTOR RELATIONS

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Email: ir@quamgroup.com

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors of the Company, I would like to present to you the annual report of Quam Plus International Financial Limited for the year ended 31 December 2024.

The Group's net aggregate revenue increased to HK$414 million in 2024 from HK$346 million in 2023. The Group recorded the consolidated loss before tax of HK$66 million for the year ended 31 December 2024 (2023: consolidated profit before tax of HK$118 million) which was mainly attributable to the loss recognised resulting from the anticipated disposal of its investment in HealthKonnect Medical and Health Technology Management Company Limited. Excluding the said recognised loss, the Group recorded consolidated profit before tax of HK$29 million. Details of the Group's results and prospects are discussed under the section of "Management Discussion and Analysis" in this annual report.

The Group embraced for the technological advancement in shaping the financial business. So, the group will allocate increased resources for accelerating the implementation of Artificial Intelligence ("AI") techniques and integrating AI-driven solutions in our business model. At the same time, to maintain the profitability in the current business environment, the Group are prioritizing expense reductions while also actively seek out and explore appropriate new potential business opportunities and cooperation in order to diversifying the Group's earnings base and enhancing returns for the shareholders of the Company.

On behalf of the Board, I would like to extend my sincere gratitude to the management and employees of the Group for their dedication and resilience in overcoming challenges faced in the last year. I would also grateful to our shareholders and stakeholders for their continual support. We shall look forward to continue working together and to create long-term value for our investors and stakeholders of the Company.

Han Xiaosheng
Co-Chairman

Hong Kong, 25 March 2025

Chief Executive Officer's Review

Dear Shareholders,

As the saying goes "as changeable as the weather" which aptly summed out the eventful 2024. While the U.S. stock market continued its ascent and led the global capital market, the U.S. election campaign media hypes moulded public opinions driving investment flow and fund concentration into the Magnificent Seven counters. This market euphoria also extended to the remarkable revival in the Japan market, until growth momentum was tapered off by the half percent interest rate cut by the Federal Reserve in September. Prelude to it while sentiment was building up, the U.S. capital market downturn in August created the Black Monday across the board.

Significant and welcome changes for Hong Kong and China markets also kicked in during the September period following the State announced its "quantum case" measures, instantly arrested and reversed the four years chronic stock market downturn. Monthly stock turnover hit a record high of HK$620 billion in October support by the significant increase in daily turnovers. For Quam Securities, our turnover volume also benefited from this trend, albeit price competition resulted in an overall reduction in brokerage commission income fee percentage.

More elaboration of the changes in the market and income analysis are set out in the section of "Management Discussion and Analysis".

For 2024, our consolidated loss before tax of HK$66 million, has not been entirely laudable. Our operating profit before tax of about HK$29 million was totally consumed by the HK$95 million loss of our investment of HealthKonnect, which was an investment we held since 2017.

Reviewing our business in 2024, we navigated through a time of sluggishly slow recovery of the Hong Kong economy, whilst we continued with our efforts to manage the lingering legacies inherited from the harsh periods of our former ownership.

Such pessimism dominated the first 10 months in 2024 and for the remainder of the year. We acted judiciously to take advantage of the Market upswing unsure if the revival may sustain whilst mindful that macro uncertainties and the Sino — U.S. relationship still hinder Hong Kong from a more assured and smoother recovery.

To report to our shareholders about our divisional performance:

1. Our Wealth Management Group division continued to progress. With the advance of our multi-family office division successfully launched our External Assets Management initiative, we have collected an additional US$200 million in 2024, reaching some US$350 million to date. Our Banking Reach continue to expand, adding Bank of China (Hong Kong) Limited and BNP Paribas to our list. Our UCITS SICAV Fund, having also been authorised by the Securities and Futures Commission in Hong Kong, have collected additional subscriptions including investors from Europe, and performed well in Net Asset Value growth. We also have started to receive specific management mandates on targeted investments, and different asset under management ("AUM") set up under our actively managed certificate (AMC) program, which has demonstrated as a proven area for us to generate management fees, and fees from performance.

New initiatives were also taken that led to the launch of new products thus further reinforcing our recurring fee-based income. Notably we have launched our Cayman Based Peg Protection Fund (“PP Fund”) in February 2025. This fund intends to upkeep investors’ purchasing power and to hedge the risk of fundamental alteration in our decades long Hong Kong dollar/U.S. dollar peg relationship. Instead of paying irrecoverable insurance premiums, our PP Fund is constructed as a low risk, events driven, capital preserved, with the objective to upkeep the value of money against investments and assets in Hong Kong.

2. Our “Equities Chain” comprising Corporate Finance and Securities Trading capabilities have now been enhanced by our activities stepped up in the U.S. market, which was mentioned in our report to shareholders last year. The U.S. proportion in our turnover has also increased to more than 10% of our commission income. Along with our license application with the U.S. Financial Industry Regulatory Authority (FINRA), we are also considering strategic association with established investment banks to extend our capital market coverage as well as in the Wealth Management areas. Should Sino-U.S. relationship eventually return to a normal and business friendly regime, we believe that Hong Kong shall resume its role as an effective bridge in global capital flow and we have to position ourselves accordingly.

   Rather disappointingly, our efforts in supporting the Government led Capital Investment Entrant Scheme launched last year has had a subdue start and we have yet to see sufficient warmth from the perceived destination markets, nor did we see our capital market is ready for it during most part of 2024. We can only hope the turnaround since October last year can help to create the necessary impetuous.

3. Our China and special opportunities division functioned well in 2024, registered net earnings totalling HK$50 million from investment gains, and loan recoveries. In the second part of last year, we have also strategized to strengthen our China ties for client acquisitions, with compliments to AUM growth and assets management fees income. We shall keep our shareholders informed on our plan forward, and targets and returns that we would set for our Quam Plus Financial.

Looking forward into 2025, perhaps the key passwords to observe and adhere to are “Stability” and “Sustainability” in our overriding risk management discipline. The traditional value concepts of Profits and Net Asset Value would have to give way to “Liquidity”, especially in our financial industry where excessive leverage becomes the heaviest destructive factor.

As our goal for 2025, we shall weigh opportunities for growth with extremely careful and strategic considerations. Traditional services mixed with new product concepts would be the driving force of business developments. Stringent cost control savings remains our priority. And in this light, we are instigating evaluation in using Artificial Intelligence tools across our business to extract further business and enhance operational efficiencies.

Last but not least, I wish to leave Shareholders with our 2025 philosophy to be maintain Alertness but never Restless.

Kenneth LAM Kin Hing
Co-Chairman and Chief Executive Officer

Hong Kong, 25 March 2025

Management Discussion and Analysis

Macro Environment

2024 was an election year in the U.S., and geopolitical risks remained present as the results settled. Donald Trump was re-elected as President. A significant market variable was the change in interest rate policies from major central banks in Japan and the U.S. In September, the Federal Reserve officially implemented a 0.5% rate cut, marking the first reduction since March 2020, resulting in a total 1% cut for the year. However, following the last meeting of the year, Chairman Powell indicated a cautious and gradual approach to future cuts in 2025. In contrast, Japan's interest rate hike triggered unwinding in yen carry trades, leading to a global market downturn on 5 August 2024, known as "Black Monday".

The U.S. stock market continued to reach new highs in 2024, driven primarily by the "Magnificent Seven", which includes technology stocks like Apple and Nvidia. The concept of artificial intelligence remained a hot topic throughout the year. Following Trump's victory, the U.S. dollar index grew stronger, yet this did not prevent capital from continuing to flow into the U.S. stock market. For the year, the Dow Jones rose by 4,854 points or 13%, the Standard & Poor's 500 gained 1,112 points or 23%, and the Nasdaq increased by 4,299 points or 29%. The stance on rate cuts influenced market trends; news of a "hawkish rate cut" initially led to significant declines, with the Dow in December dropping over 1,000 points and experiencing ten consecutive days of decline, marking the longest losing streak in 50 years.

Mainland China faced pressures from consumption and economic transformation, prompting the central government to initiate reforms in the A-share market. A series of measures were introduced to stabilise both the stock and property markets. Stimulated by news of government support for the stock market, investor sentiment improved, and in 2024, gross domestic product ("GDP") finally surpassed RMB130 trillion, successfully achieving a year-on-year growth target of "keeping above 5%".

Hong Kong Market Review

In 2024, the Hong Kong stock market exhibited a pattern of initial decline followed by a significant rise, with the Hang Seng Index gaining 3,012 points or 17% for the year. This marked a reversal of a four-year downturn and represented the best performance since 2017, setting multiple new trading records, including a historic high turnover of HK$620.7 billion on 8 October 2024. The average daily turnover in 2024 was HK$131.8 billion, a 26% increase from HK$105 billion in 2023. The initial public offerings ("IPO(s)") market also showed signs of recovery, with approximately 70 new stocks listed throughout the year. Notably, it welcomed three specialized technology stocks — Crystal Tech Holdings, Hezhima Intelligent, and Yuejiang — under Chapter 18C of the Listing Rules. The total funds raised through IPO(s) in 2024 amounted to HK$87.5 billion, an 89% increase from HK$46.3 billion in 2023. With several leading domestic companies listing in Hong Kong in the second half of the year, Hong Kong's global ranking in IPO fundraising rose from tenth at the start of the year to fourth by the end, with total fundraising reaching HK$190.3 billion, up to 22% from HK$156 billion in 2023.

Results and Overview

For the year ended 31 December 2024, the Group recorded consolidated loss before tax of HK$66 million (2023: consolidated profit before tax of HK$118 million). This loss before tax for 2024 was mainly attributable to the loss recognised resulting from the anticipated disposal of its investment in HealthKonnect Medical and Health Technology Management Company Limited ("HealthKonnect"). Excluding the loss of HK$95 million (2023: Nil) arising from HealthKonnect for the year ended 31 December 2024, the Group recorded consolidated profit before tax of HK$29 million (2023: HK$118 million). The decrease was mainly attributable to the one-off partial settlement of certain loan balances due from a former connected party for which profit was recognised in 2023.

The Group's net aggregate revenue increased to HK$414 million in 2024 from HK$346 million in 2023, representing a year-on-year increase of HK$68 million. The revenue from core operating businesses fell by 14% year-on-year to HK$230 million in 2024. If we exclude our net investment income of HK$119 million (2023: net investment loss of HK$218 million) recorded as part of our revenue, our adjusted revenue was HK$295 million (2023: HK$564 million), representing a year-on-year decrease of 48%. The significant decrease in adjusted revenue primarily resulted from a large part of the interest income recognised in 2023 arising from the one-off partial settlement arrangement entered in 2023 in relation to certain loans due from a former connected party which was a non-recurring event from our money lending business.

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

Business Review

The year 2024 presented significant challenges for our company due to the strong U.S. dollar and the high-interest rate environment in Hong Kong. In 2024, our corporate finance business faced a challenging environment with a drop in the number of transactions and delays in the IPO timetables. However, we have managed to build an encouraging deal pipeline that holds promise for future growth. We successfully launched our External Asset Management (EAM) platform, enhancing our distribution capabilities. This strategic initiative has positioned us well to cater to a broader client base and deliver tailored financial solutions. The current weak economic climate has also provided us with an opportunity to attract experienced talents in our asset management business. These new recruits have been instrumental in expanding our assets under management and broadening our product pipelines and services within the asset management sector. In addition to these achievements, we have made significant progress in negotiating the recovery of various overdue loans. Our diligent efforts in this area have contributed to improving our financial stability. We have managed to increase the banking facilities for our brokerage business, re-establishing connection with a significant number of banks, and brokerage business volume as 2024 progressed. The revenue of our brokerage business recorded a 17% increase in the second half of 2024 as compared to the first half of 2024. Moreover, we have continued to monitor and control our costs effectively, ensuring that we operate efficiently and maintain our profitability. Despite the challenges faced throughout 2024, we have demonstrated our ability to adapt, innovate, and grow. We remain committed to our strategic goals and are optimistic about the opportunities that lie ahead in 2025.

Management Discussion and Analysis

Financial Review

The following table summarised the revenue breakdown of the Group's principal businesses. Except for the interest income from brokerage business of HK$147 million (2023: HK$145 million), the revenue generated by core operating business decreased compared to 2023.

Revenue	2024 HK$ million	2024 Proportion	2023 HK$ million	2023 Proportion	Favourable/ (unfavourable) change
Corporate finance business	**9**	**4%**	31	12%	(71)%
Asset management business	**9**	**4%**	11	4%	(18)%
Brokerage business	**65**	**28%**	81	30%	(20)%
Interest income from brokerage business	**147**	**64%**	145	54%	1%
	212		226		
Total revenue for core operating business	**230**	**100%**	268	100%	(14)%
Interest income from non-brokerage business	**58**		290		(80)%
Financial media service fee income	**7**		6		17%
Net investment gain/(loss)	**119**		(218)		155%
Total revenue	**414**		346		20%

Corporate Finance Business

The Group's corporate finance business primarily comprises sponsorship for listing, financial advisory, financing consultation service, and equity capital market. Revenue from corporate finance business decreased by approximately 71%, from HK$31 million in 2023 to HK$9 million in 2024. The drop was primarily due to lower sponsorship fee income as clients postponed their IPO projects timelines.

Asset Management Business

Revenue from asset management business has decreased from HK$11 million in 2023 to HK$9 million in 2024.

Brokerage Business

The overall performance of our brokerage business had been affected by the credit crunch we experienced as a result of the financial difficulties of our former controlling shareholder. We reduced our margin book and adopted a responsible approach to our business to overcome the onerous situation. This inevitably led to a decrease in clients and therefore business volume which impact was felt more in 2024 than 2023, before we steadied our ship and recovered. As a result, revenue from brokerage business has decreased by 20% from HK$81 million in 2023 to HK$65 million in 2024. Commission income from dealing in futures decreased by 23% from HK$35 million in 2023 to HK$27 million in 2024. Commission income from dealing in securities decreased by 7% from HK$27 million in 2023 to HK$25 million in 2024. Even though the overall performances of dealings in securities and futures in 2024 were below 2023, the second half of 2024 performances in dealings in securities and futures were better than the first half of 2024, recording increase of 27% and 25% respectively.

Interest Income from Brokerage Business

The interest income from brokerage business has increased slightly by 1% from HK$145 million in 2023 to HK$147 million in 2024 mainly due to the increase in interest income from improved treasury management while offset by the decrease in margin loan interest income. The decrease in margin loan interest income mainly due to the drop in average outstanding margin loan to clients.

Interest Income from Non-Brokerage Business

The interest income from non-brokerage business has decreased by 80% from HK$290 million in 2023 to HK$58 million in 2024 mainly due to the one-off partial settlement of loan balances due from a former connected party in 2023.

Financial Media Service Fee Income

Financial media service fee income was around HK$7 million in 2024 and consider stable as compared to HK$6 million in 2023.

Net Investment Gain/(Loss)

The net investment gain of HK$119 million in 2024 as compared to a net loss of HK$218 million in 2023. The net investment gain in 2024 mainly comprises of (i) HK$157 million (2023: Nil) gain from disposals of investment in Guotai Junan International Holdings Limited, (ii) reversal of mark-to-market loss on margin loans of HK$1 million (2023: mark-to-market loss of HK$107 million), and (iii) net favorable changes of fair values of other financial assets of HK$56 million (2023: HK$2 million), which was partially offset by HK$95 million of downward adjustment in the fair value of HealthKonnect (2023: HK$113 million).

In 2024, the above-mentioned HK$95 million downward adjustment in the fair value of HealthKonnect was resulted from the anticipated disposal of investment in HealthKonnect. Details of the disposal of investment in HealthKonnect were set out in the Company’s announcements dated on 23 January 2025 and 18 February 2025.

Other (Loss)/Income

Other loss was about HK$177 million for 2024, as compared to a gain of HK$160 million in 2023 comprising a HK$111 million gain was arising through the terms modification on a contractual loan previously entered between the Company and the relevant counterparty. The other loss in 2024 mainly comprises of HK$156 million loss arising from the increase in the market value of the collateral of a financial liability, HK$18 million loss on disposal of an investment property located in the U.S. and HK$12 million loss arising through the terms modification on contractual credit loans previously entered between the Group and the relevant counterparties.

Expenses

Direct costs decreased by 22% from HK$94 million for 2023 to HK$73 million in 2024, primarily due to the decrease in commission expense of our brokerage business following the decline in gross commission income. Staff costs decreased by 9% from HK$174 million in 2023 to HK$159 million in 2024 as a result of resource streamlining and workforce optimization. Finance costs on bank and other borrowings increased by 9% from HK$46 million in 2023 to HK$50 million in 2024 due to increase in average borrowings from new financing facilities.

Impairment Loss

In 2024, the Group recognised expected credit loss ("ECL") net reversal of approximately HK$21 million (2023: HK$62 million) and were mainly arisen from ECL net reversal of HK$103 million (2023: ECL net charges of HK$377 million) to credit loans to independent third parties, offset by ECL net charges of HK$83 million (2023: ECL net reversal of HK$411 million) to credit loans and bonds to former connected parties.

In the following, the Group listed out the loans with material ECL net reversal/(charges), which with reference to over 1% of total asset value of HK$4,189 million of the Group as at 31 December 2024 (i.e. over HK$42 million). The Group considers that such materiality level is appropriate for this purpose. As such, total ECL net reversal of HK$21 million comprises reversal of HK$87 million for credit loans to independent third parties which were explained below.

Details of credit loans to independent third parties with material ECL movement in 2024

Identities of borrowers	Principal amount HK$ million	Net carrying amount as at 31 December 2024 HK$ million	Reversal of ECL for the year 2024 HK$ million	Interest rate	Loans granted date	Tenure	Details of personal guarantee	Their ultimate beneficial owners	Latest status of repayment as at 31 December 2024
Corporate Client 1	–	–	44	9%	1 December 2019	Within 5 years	By an independent third party	Independent third party	Fully settled
Corporate Client 2	–	–	43	12%	8 March 2019	Within 2 years	By an independent third party	Independent third party	Fully settled
	–	–	87						

No additional loan was granted to above Corporate Clients. Reversal of ECL on Corporate Client 1 was due to the completion of the loan assignment in 2024 in relation to the assignment of the credit loan of Corporate Client 1 at a consideration equivalent to the nominal value of the credit loan, which settled by way of allotment and issuance of shares of the assignee. Details of the loan assignment for Corporate Client 1 were set out in the Company's announcement dated on 18 December 2023. Reversal of ECL on Corporate Client 2 was due to full settlement by the assignee under second assignment of loan. Details of the assignment arrangement for Corporate Client 2 were set out in the Company's announcement dated on 6 June 2023.

(a) *Reasons for the impairment*

The Group adopted the requirements in respect of ECL assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loans.

The Group has taken into account the following factors on the impairment assessment for the outstanding loans and unlisted debt securities due from the former connected parties and independent third parties in accordance with the HKFRS 9:

(i) the probability of default and the likelihood that the borrowers may fail to pay back the loans. The Group will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account;

(ii) the loss given default and the expected cash shortfall between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive. The Group will consider the value of the collaterals pledged for the loans, if any; and

(iii) forward-looking market data such as gross domestic product will also impact to the recoverability of the loans.

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

(b) *Key assumptions and basis in determining the amount of the impairment*

For the purpose of impairment assessment, credit loans and unlisted debt securities of the Group are classified as stage 1, 2 and 3. According to the prevailing accounting standard, stage 1 are loans with no significant increase in credit risk of the financial instrument since their initial recognition. Stage 2 are loans with increase in credit risk of the financial instrument since their initial recognition. Stage 3 loans has significant increase in credit risk of the financial instrument since initial recognition and considered as credit-impaired. Impairment was assessed for each of the loans and the ECL model for internal impairment assessment has taken into account the following: 1) expected life and contractual terms of a financial instrument; 2) market probability of default; 3) market loss given default or discounted recovery rate; and 4) forward-looking market data.

For the year of 2024, independent impairment assessment was performed on credit loans to former connected parties and independent third parties by an independent valuer, Masterpiece Valuation Advisory Limited which is a professional business consulting company established in Hong Kong and with a branch office in the Greater China area. The consulting teams are formed by experienced professionals from accounting, finance and real estate with well-recognised qualifications including but not limited to HKICPA, Chartered Financial Analyst, member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors, Financial Risk Manager and Certified Public Valuer. In applying the accounting standard, the below formula was used in assessing their respective ECL provisions:

$$ECL = EAD \times PD \times (1 - PV \text{ of } (Recovery\ Rate \times FLF))$$

1. Exposure at Default (the "EAD") is the principal and interest outstanding that are at risk of default.

2. Probability of Default (the "PD") is the likelihood that counterparties will fail to repay. PD of 100% is used when the counterparties default or very likely to default. For other cases, PD sourced from "Average cumulative issuer-weighted global default rates by alphanumeric rating" published by Moody's, a reputation credit agency.

3. Recovery Rate sourced from "Average debt recovery rates measured by ultimate recoveries" published by Moody's, a reputable credit agency.

4. Forward-looking factor (the "FLF") is served as adjustment to recovery rate basing on the recent and forecasted data related to assets of the borrowers. GDP growth data were selected as the appropriate macro factor ("Z") according to the assets location of the counterparties. And for counterparties located in PRC, broad measure of money supply (M2) was also included to make relevant forward-looking adjustments to Recovery rate.

5. Present Value ("PV") of (Recovery Rate ×FLF) = (Recovery rate ×FLF)/(1 + effective interest rate)^ Time to Recover.

Money Lending

(i) Group's money lending business and credit risk assessment policy

The Group's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The money lending business generates revenue and profit by way of providing loans to earn interest income.

The Group has adopted a credit risk policy to manage its money lending business which covers factors such as compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment.

The scope of money lending services provided by the money lending business generally includes personal loans, business loans and mezzanine loans. The Group tries to diversify the loan portfolio by providing to different borrowers to lower the concentration risk. We do not have a rigid risk appetite or fixed criteria for loan acceptance and risk assessment are made on a case-by-case basis and typically involves reviewing the financials of borrowers, the borrower's repayment and credit history including any prior insolvency history. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan varies individually. The determination of the loan terms reflects the perceived risk level after the risk is determined to be within an acceptable and controllable level.

Provision of loans is one of the principal businesses of the Group. Management's discussion on the movements in material loans for renewal of existing loans or newly granting of the loans have been disclosed in the relevant announcement or shareholders' circular.

(ii) Major terms of loans granted (including details of the collaterals), size and diversity of clients and concentration of loans on major clients

To diversify the clients and lower the concentration of loans portfolio, our borrowers included individuals, listed companies and companies from different industries such as securities investment, real estate and consultation service. As at 31 December 2024, the Group has 20 borrowers, of which 17 unlisted corporate borrowers, 1 listed corporate borrower and 2 individual borrowers.

As at 31 December 2024, the Group has 36 credit loans with principal amounts ranging from HK$2 million to HK$446 million with fixed coupon interest rates ranging from 6% to 12%. The credit loans portfolio fell with the following bands:

Loan size of principal	Number of credit loans fall into the band
Above HK$100 million–HK$500 million	11
Above HK$50 million–HK$100 million	7
Above HK$10 million–HK$50 million	12
Above HK$5 million–HK$10 million	2
Below or equals to HK$5 million	4
	36

Out of the 36 credit loans, 1 loan was secured by shares of private companies and assets of private companies with personal guarantee (1% of the total principal amount of the Group's credit loan portfolio), 1 loan was secured by shares of listed company with personal guarantee (2% of the total principal amount of the Group's credit loan portfolio), 1 loan was secured by shares of private companies with personal guarantee (6% of the total principal amount of the Group's credit loan portfolio), 2 loans were secured by assets of borrowers and unguaranteed (1% of the total principal amount of the Group's credit loan portfolio), 9 unsecured loans with personal or company's guarantee (47% of the total principal amount of the Group's credit loan portfolio) and the remaining 22 loans were unsecured and unguaranteed (43% of the total principal amount of the Group's credit loan portfolio).

As at 31 December 2024, the top five borrowers constituted 69% of the total principal amount of the Group's credit loan portfolio.

(iii) Reasons for loan impairments (and write-offs)

Management's discussion and the underlying reasons for the movements in loan impairments are that the ECL recognised primarily represented the credit risk involved in collectability of certain loans determined under the Group's loan impairment policy, with reference to factors including the credit history, financial conditions of the borrowers and forward-looking information. In accordance with the Group's loan impairment policy, the Group will apply the prevailing accounting standard to make such impairment. Therefore, the amount of ECL is updated at each reporting date to reflect the changes in credit risk on loan receivables since initial recognition.

As at 31 December 2024, the gross amounts of credit loans have increased by HK$170 million from HK$4,413 million as at 31 December 2023 to HK$4,583 million. The net carrying amount after ECL provisions of credit loan has decreased from HK$442 million as at 31 December 2023 to HK$320 million at 31 December 2024.

Ageing analysis of credit loans based on due date and net of ECL provisions is as follows:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Within 30 days	**63,979**	94,196
31–90 days	**—**	—
Over 90 days	**256,480**	327,986
Credit loans, net	**320,459**	422,182

(iv) Internal controls measures

Credit Approval

The Group's money lending business follows a stringent procedure. Due diligence and credit assessments are performed by the respective lending department to assess the credit quality of the potential borrowers. These assessments include the identity, creditability, and financial background of the borrowers, and the value and characteristics of the collaterals to be pledged.

A loan proposal is then prepared by the designated loan officer and submitted to the Risk Management Department ("RMD") for their comment. This comment is attached to the final submission of the proposal and presented to the Business Assessment Committee (BAC) either through a physical meeting or in an email for their approval.

The BAC may comment, add conditions, or seek improve the terms and conditions before giving their final approval. A Transaction Approval Form (TAF) is signed off by the Department Head of the respective lending department, the approval members, and the Chief Operating Officer to complete the approval process and for record.

Subject to the size of the loan/total exposure of each borrower and its related parties, different approval authority is applied, where higher authority is required for the approval of larger loans. Till the end of 2024, the Group has long established this hierarchy of approval authority, the details of which are stated below:

Loan size/total exposure of each borrower and its related parties (HK$)	**Approval authority**
Above HK$1,000 million	Board of Directors
Above HK$500 million – HK$1,000 million	Executive Committee (ExCom.)
Above HK$100 million – HK$500 million	3 members in ExCom. (must include Chairman of ExCom.)
Above HK$50 million – HK$100 million	Business Assessment Committee (BAC)
Above HK$10 million – HK$50 million	3 members of BAC (must include Chief Executive Officer)
Above HK$5 million – HK$10 million	3 members of BAC (must include Chief Financial Officer or Chief Operating Officer)
Below or equals to HK$5 million	2 members of BAC (must include Chief Financial Officer or Chief Operating Officer)

Note:

1) Business Assessment Committee comprises of Chief Executive Officer, Chief Financial Officer, Chief Investment Officer, Chief Operating Officer and Chief Risk Officer.

Continuous loan monitoring

The Group's designated loan officer closely monitors the Group's loan portfolio, include regular communication with the individual borrowers to update and review their financial position from time to time, and to determine appropriate actions for recovery of the relevant loans at the earliest time.

Also, RMD will review the risk level of each of the loans on a daily basis and submit written monthly report to the ExCom. with their recommendation. From time to time, RMD alerts our senior management and/or the ExCom. on specific events (e.g. failed repayment) and advise its recommended actions. In parallel, our Accounts Department and Treasury Department also keep track of the repayment schedule constantly and make relevant alerts to senior management in case of failed or late repayment.

Recoverability and Collection

At each month end, the designated loan officer checks if there is overdue balances or late payment and RMD will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management.

Usually there would be internal discussions on a case-by-case basis on what recovery actions to be taken so that the Group could recover the most in a timely fashion. Means like phones calls, seizure of collaterals, statutory demand letter and further legal actions would be discussed. Demand letter and statutory demand letter will be issued to the borrower when consider appropriately if there is overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collateral pledged. Seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Group will also petition to the court for winding-up/bankruptcy of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the ExCom..

Other Information

Capital structure, liquidity and financial resources

The Group generally finances its operations with internally generated cash flow as well as through the utilisation of banking facilities and short-term loans and notes from non-bank entities. The Group's cash level at the end of 2024 was around HK$157 million (2023: HK$122 million).

At the end of 2024, the Group's total borrowings amounted to HK$668 million, slightly decreased by 1% from HK$674 million at the end of 2023. Borrowings mainly consisted of two components.

— The first component was utilised bank facilities of around HK$494 million (2023: HK$453 million), of which the Group had available aggregate banking facilities of around HK$917 million (2023: HK$556 million).

— The second component was private notes issued by the Company and loans from other parties (non-bank financial institutions), which amounted to HK$174 million at the end of 2024 (2023: HK$221 million).

At the end of 2024, the net assets of the Group was HK$1,993 million (2023: HK$2,061 million). The Group's gearing ratio (leverage) was 34% (2023: 33%), being calculated as total borrowings over net assets. The management has applied prudent risk and credit management on the borrowings. In addition, the Group is required to strictly follow regulatory re-pledging ratios and prudent bank borrowing benchmarks that govern the extent of bank borrowings in the securities margin lending business.

Material acquisitions, disposals and significant investments

Upon the completion of loan assignment and disposal of equity securities, the Group's equity interest in Fortune Origin Group Limited ("Fortune Origin") increased from 15.7% to 21.3% and it became associates of the Group which accounted for using equity method. The details of acquisition are set out in the Company's announcements dated on 18 December 2023, 10 January 2024 and 30 May 2024.

On 21 November 2024, the Group's equity interest in Fortune Origin have been diluted and decreased to 19.8%. Fortune Origin ceased to be associates of the Group and the equity interest in Fortune Origin held by the Group are reclassified as financial assets measured at fair value through profit or loss.

Save as disclosed above, there was no material acquisition and disposal of subsidiaries or associated companies in 2024.

As at 31 December 2024, the Group held the following significant investment that was classified as fair value through profit or loss with fair value representing 5% or more of the Group's total assets (i.e. HK$209 million).

Description of investment	Investment costs	Fair value as at 31 December 2024	Number of ordinary shares held in the investee company as at 31 December 2024	Percentage of investment held in the investee company as at 31 December 2024	Size as compared to the Group's total assets as at 31 December 2024	Total amount of dividends received for the year ended 31 December 2024	Unrealised gain for the year ended 31 December 2024
	HK$'000	HK$'000	Number of shares	%	%	HK$'000	HK$'000
Equity interest in Fortune Origin	211,494	310,123	3,081	19.8	7.4	N/A	42,704

Fortune Origin, a company incorporated in the British Virgins Island, and its subsidiaries are principally engaged in investment business and brokerage services. The Group held the equity investment in Fortune Origin with a medium-term investment strategy.

Pledged assets of the Group

At the end of 2024, assets of HK$1,093 million (2023: HK$514 million) were charged to banks.

Employees and remuneration policies

On 31 December 2024, the Group had 181 full time employees (2023: 193) in Hong Kong and 19 full time employees (2023: 22) in Mainland China. In addition, the Group has 65 self-employed sales representatives (2023: 60). Competitive total remuneration packages are offered to employees by reference to industry remuneration research reports, prevailing market practices and standards and individual merit. Salaries are reviewed annually, and discretionary bonuses are paid with reference to individual performance appraisals, prevailing market conditions and the Group's financial performance. Other benefits offered by the Group include a mandatory provident fund scheme, medical and health insurance.

Risk management

The Group's business is closely related to the economy and market fluctuations of Hong Kong and China, and indirectly affected by financial markets across the globe. To cope with unpredictable market fluctuations and minimizes risks, the Group takes preventive measures and established a three-tier risk management system. At the front line, there are the relevant business departments who conduct the initial risk assessments. RMD and Legal & Compliance Department then review and provide comments on identified risks, if any. RMD is responsible for risk identification and analysis, the setting and monitoring of risk limits and parameters, and produces timely risk reports to the senior management. The Legal & Compliance Department also comments and monitors the legal risks involved as required. The Internal Audit Department conducts thorough checks periodically to ensure that any procedural and potential risks can be eradicated, concluding the final stem of our Group's comprehensive risk control.

Credit risk

Credit risk is the potential risk in respect of loss arising from incompetence of a borrower, counterparty or issuer of financial instruments to meet its obligation, or potential deterioration of credit ratings. The Group has an established Credit Approval Policy and Procedure for pre-lending approval and a post-lending monitoring system in place for all business applications and proposals with potential credit risks. The credit risks of the Group mainly arise from five business areas: corporate finance business, asset management business, brokerage business, interest income business and propriety investment business. Advance IT systems are also utilised by the Group to conduct daily monitoring on credit and concentration risk limits.

Market risk

Market risk refers to potential loss due to market price movement of investment positions held, which includes interest rates risk, equity prices risk and foreign exchange rates risk. RMD is responsible for setting up market risk limits and investment guidelines for the Group's various business functions and their investment activities. Investments with potential market risks are, where appropriate, assessed and approved by RMD. Monitoring and assessments of market risks positions are conducted timely, and significant risks are reported to senior management to ensure the market risks of the Group are controlled within an acceptable level. The Group continues to modify the market risk models through periodic back-testing and stress scenarios tests.

Liquidity risk

Liquidity risk refers to the risk that the Group might face in obtaining sufficient capital and funds in a timely manner to meet its payment obligations and capital requirements for normal business activities. Treasury Department is responsible for the sourcing, management and allocation of funds for the Group. Accounts Department has a monitoring system to ensure compliance to relevant rules, including Financial Resources Rules and financial covenants of lending banks. In addition, the Group has maintained good relationships with banks to secure stable channels for short-term financing such as borrowings and repurchases. The Group may also raise short-term working capital through public and private offerings of corporate bonds. The Group has also established a liquidity system to ensure it has sufficient liquid assets to meet any emergency liquidity needs.

Operational risk

Operational risk is the risk of financial loss arises mainly from negligence or omission of internal procedural management, information system failures or personnel misconduct of staffs. The Group actively schedules briefing sessions to improve risk awareness amongst employees, and instructs all departments to establish internal procedural and control guidelines. There is an Operational Risk Events Reporting Procedure to ensure that all risk events are timely reported to the Risk Management, Legal & Compliance and IT Department for immediate implementation of remedial action. The Group has a Business Continuity Policy and has a special committee to deal with whatever emergency situations may arise which could pose operational risks to us.

Regulatory compliance risk

As a financial group operating regulated businesses, we endeavor to meet the stringent and evolving regulatory requirements, including but not limited to those related to investor interest protection and market integrity and stability maintenance. Our Legal & Compliance Department works continuously to monitor, review, and reduce the regulatory risks of the Group.

Prospects

The sentiment of the Hong Kong stock market has become positive noticeably as reflected in the level of the Hang Seng Index and the market's daily turnover volume. China's macroeconomic data shows signs of strength and the Government of the PRC has also taken increasingly proactive measures to boost consumption. The performance of our securities business in the second half of 2024 beats the first half of 2024. All are good indications that we are finally coming out from the doldrums. We will seek to build on the momentum gained in the second half of 2024 and the foundation established to grow our businesses responsibly while being cautious of the uncertainties associated with the new U.S. administration and ongoing conflicts between nations.

ABOUT THIS REPORT

We hereby present the Group's ninth Environment, Social and Governance Report (the "ESG Report"), which delineates our comprehensive management approaches, policies, and practices pertaining to environmental, social, and governance ("ESG") matters as they relate to our key stakeholders.

REPORTING BOUNDARY

This ESG Report encompasses the Group's material ESG performance for the period from 1 January 2024 to 31 December 2024 (the "Year"). The scope of reporting encompasses six principal business operations conducted within Hong Kong: corporate finance, asset management, brokerage, interest income, investments and others. The reporting parameters remain consistent with the previous year's scope, encompassing the predominant portion of the Group's business operations.

REPORTING STANDARDS

This ESG Report has been meticulously prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as stipulated in Appendix C2 to the Listing Rules. In the preparation of this ESG Report, the Group has strictly adhered to the four fundamental reporting principles outlined in the ESG Guide: materiality, quantitative, balance, and consistency.

Reporting Principles	The Group's Application
Materiality	The Group conducts comprehensive stakeholder engagement and materiality assessment processes to identify and prioritise material issues that warrant detailed disclosure in accordance with their strategic significance during the reporting period.
Quantitative	The ESG Report presents quantifiable key performance indicators ("KPIs") where applicable, accompanied by comparative historical data and detailed documentation of the measurement standards, methodologies, and underlying assumptions employed in calculations.
Balance	In maintaining the highest standards of transparency, the ESG Report provides an objective and balanced representation through factual documentation and impartial narrative exposition of the Group's ESG performance.
Consistency	The Group maintains methodological consistency in its reporting framework and KPIs to facilitate meaningful year-on-year performance analysis, with any methodological variations explicitly noted and justified.

REPORT APPROVAL

The Group hereby affirms its commitment to ensuring the veracity and integrity of this ESG Report. All data and information contained herein have been derived from the Group's official documentation and statistical records, presented with utmost transparency and objectivity. This ESG Report has undergone thorough review and received formal approval from the Board.

REPORT PUBLICATION AND CONTACT

The ESG Report is prepared in both Chinese and English and is available on the websites of Hong Kong Exchanges and Clearing Limited (the "HKEX") (www.hkexnews.hk) and the Company (www.quamplus.com).

Environmental, Social and Governance Report

The Group welcomes and values all feedback and suggestions on the ESG Report or its ESG performance.

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OUR APPROACH TO ESG

ESG Governance

The Group, as a conscientious corporate entity, strives to achieve an optimal equilibrium between sustainable business growth and stakeholder interests, recognising the critical significance of effective ESG management in facilitating long-term organisational advancement. The Group maintains an unwavering commitment to robust corporate governance practices and exemplary ethical standards, with ESG considerations fully integrated into its strategic developmental framework.

Governance Structure

The Board

The Board, serving as the Group's apex governance entity, maintains ultimate oversight and accountability for all ESG-related matters and strategic determinations. Furthermore, the Board establishes comprehensive ESG strategies, objectives, and benchmarks while conducting rigorous monitoring of their implementation and achievement.

The Environmental, Social and Governance Working Group

Under the chairmanship of the Company Secretary, the ESG Working Group functions as a specialised body supporting the Board in the administration of the Group's ESG and climate-related initiatives. The Working Group's core mandate encompasses:

- development and articulation of ESG objectives and performance metrics
- execution and enforcement of ESG policies and operational protocols
- evaluation of ESG performance metrics and formulation of strategic enhancement initiatives
- submission of periodic comprehensive reports to the Board regarding ESG implementation progress and performance indicators

ESG Policies

The Group has established a comprehensive framework of ESG-related policies that delineates its position on critical environmental, social, and governance matters. These policies encompass environmental protection, climate change mitigation, employment practices, occupational health and safety protocols, labour standards compliance, supply chain management procedures, product responsibility guidelines, and community investment initiatives. Adherence to these policies is mandatory for all business operations and employees. The Group maintains a systematic review process to ensure these policies remain current and effective.

- Environmental Protection Policy Statement
- Climate Change Policy
- Employment and Labour Policy Statement
- Supply Chain Management, Product responsibility and Anti-corruption Policy Statement
- Community Investment Policy Statement

ESG Strategy

The Group maintains an unwavering commitment to sustainable development through the systematic integration of ESG principles across its operational framework. Our organisational mandate is fundamentally anchored in sustainable growth, with sustainability constituting a core organisational value. The Group has established a comprehensive ESG framework comprising six strategic pillars: "Strong Planet", "Supportive Workplace", "Legendary Customer Experience", "Connected Communities", "Sustainable Finance", and "Responsible Conduct". This strategic framework serves as the foundational architecture for cultivating a sustainable and resilient enterprise. The Group is actively implementing initiatives under these core pillars, thereby facilitating systematic ESG enhancement and optimal resource allocation across the Group.

Strong Planet

- To encourage the responsible and efficient use of resources
- To support the transition to a low-carbon economy

Supportive Workplace

- To support employees on their career journeys and support women into leadership
- To foster workplace health and safety

Legendary Customer Experience

- To deliver exceptional customer experience

Connected Communities

- To build inclusion through focused giving
- To promote financial education

Sustainable Finance

- To offer sustainable financial programs and services across business lines
- To manage climate-related risks and opportunities
- To embed the environment into our financing decisions

Responsible Conduct

- To protect our business and stakeholders from a variety of risks in the financial services sector
- To foster responsible conduct and compliance

ESG Risk Management

The Group has implemented a comprehensive integration of ESG-related risks within its risk management framework to enhance ESG governance and operational oversight. The Board maintains continuous supervision of the Group's risk management and internal control systems to ensure their sustained efficacy. Within this framework, the Group conducts meticulous monitoring of departmental operations across all business units. Furthermore, the Group systematically undertakes comprehensive reviews, assessments, prioritisation, and management of material ESG risks in accordance with established protocols.

For detailed information regarding the Group's corporate governance framework and practices, please refer the "Corporate Governance Report" section contained within this annual report.

Stakeholder Engagement

The Group acknowledges the significant contributions of its stakeholders and their fundamental importance in enhancing ESG management and performance. Stakeholder engagement is essential for the Group's commercial growth and sustainable development initiatives. Through systematic engagement processes, the Group maintains comprehensive dialogue with stakeholders to ascertain and address their expectations and concerns. Stakeholder feedback is systematically integrated into operational procedures and strategic planning processes, facilitating continuous performance enhancement and operational excellence.

During the Year, the Group engaged its stakeholders in open and regular communication through a diverse range of channels:

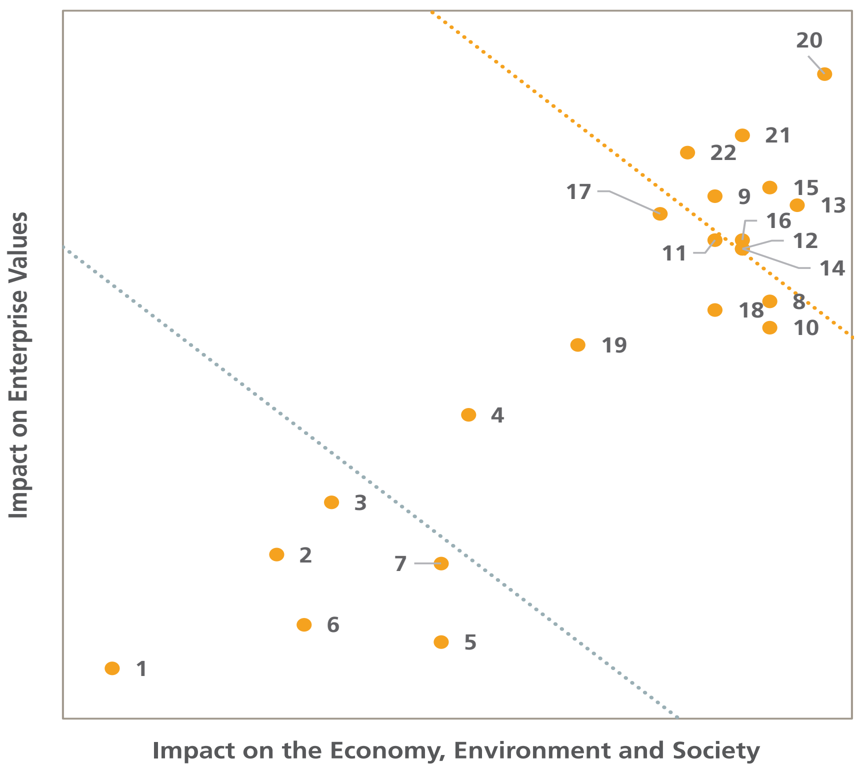
Value Chain	Key Stakeholder Group	Main Focus	Communication Channel
Upstream	Business Partners, Suppliers	• Quality of partnerships • Business ethics, culture, and integrity	• Business meetings and forums • Regular evaluation
Employees		• Industry and corporate trends • Employees' rights, welfare and benefit • Training and development	• Performance evaluation • Operational meetings and dialogues • Feedback and whistleblowing channels • Employee training and activities • Company announcements and publications
Downstream	Shareholders	• Investment returns and interests • Risk management • Information disclosure • Corporate governance	• Annual General Meeting and other special meetings • Annual Report and Interim Report • Company website • Announcements and notices
	Customers	• Product quality • Customer services • Customer privacy and information security	• Customer service hotline and email • Online chat bot • Customer complaint channel
	Communities	• Community Development	• Community programs and activities • Volunteer activities
	Regulatory authorities	• Operational compliance	• Direct enquiries through calls or emails • Public consultations

Materiality Assessment

The Group has implemented a comprehensive materiality assessment methodology comprising three distinct phases, executed in collaboration with an independent consulting firm. This methodological framework has been enhanced through the incorporation of double materiality principles, encompassing both financial and impact materiality considerations. Through this rigorous assessment process, the Group systematically identifies and prioritises critical ESG matters that are instrumental to the advancement of its ESG strategic initiatives and performance metrics.

Step 1 Identification	• The Group identified 22 pertinent ESG matters through comprehensive analysis of the ESG Guide, contemporary reporting methodologies, and industry benchmarking practices.
Step 2 Prioritisation	• A systematic stakeholder consultation process was conducted via digital survey methodology to evaluate the relative significance of identified ESG matters. • The assessment incorporated dual materiality considerations, evaluating both the matters' impact on enterprise value and their broader implications for economic, environmental, and social domains, culminating in comprehensive materiality determinations. • Subsequently, a materiality matrix was constructed, accompanied by a hierarchical classification of prioritised matters.
Step 3 Validation	• The materiality assessment outcomes underwent thorough examination and received formal endorsement from both the ESG Working Group and the Board.

The materiality matrix presented herein provides a comprehensive visualization of the relative significance of the 22 identified ESG matters. This matrix illustrates the correlation between these matters' impact on the Group's enterprise value and their broader implications for economic, environmental, and societal domains. Matters positioned in the matrix's upper right quadrant represent those of highest strategic significance to the Group and consequently constitute the primary focus of disclosure within this ESG Report.



Under the new materiality assessment approach, nine issues were identified as material this Year.

Issues (in descending order of materiality)		Tier	Materiality
20	Business Ethics	1	Material
21	Risk Management		
22	Protection of Intellectual Property Rights		
15	Privacy and Data Security		
13	Product and Service Responsibility		
9	Diversity and Equal Opportunity		
16	Responsible Marketing		
12	Labour Standards		
14	Customer Engagement		
17	Responsible Investment	2	Moderate
11	Occupational Health and Safety		
8	Employment Practices		
18	Responsible Supply Chain Management		
10	Training and Development		
19	Community Engagement and Investment		
4	Energy		
3	Waste	3	Monitored
7	Climate Change and Resilience		
2	Greenhouse Gas Emissions		
6	Materials		
5	Water		
1	Air Emissions		

Material Issue		Relevant Section in the Report
20	Business Ethics	Responsible Conduct
21	Risk Management	Our Approach to ESG
22	Protection of Intellectual Property Rights	Responsible Conduct
15	Privacy and Data Security	
13	Product and Service Responsibility	Legendary Customer Experience
9	Diversity and Equal Opportunity	Supportive Workplace
16	Responsible Marketing	Legendary Customer Experience
12	Labour Standards	Supportive Workplace
14	Customer Engagement	Stakeholder Engagement; Legendary Customer Experience

STRONG PLANET

The Group recognises its obligation to harmonise commercial expansion with environmental responsibility. In response to the global imperative for climate change mitigation and carbon neutrality achievement, the Group has initiated comprehensive measures to establish low-carbon operational protocols. These initiatives are strategically implemented to minimise environmental impact and address climate-related risks through systematic methodologies.

The Group's steadfast dedication to environmental preservation and climate resilience is formally codified within its Environmental Protection Policy Statement and Climate Change Policy. Operating as a comprehensive financial services provider with office-centric operations, the Group implements rigorous management protocols for emissions, resource utilisation, and climate-related risks and opportunities. The Group facilitates environmental stewardship by providing employees with structured protocols for workplace sustainability practices while encouraging business partners to enhance their environmental performance metrics.

The Group maintains an institutional commitment to implementing innovative methodologies for the integration of sustainability principles within its operational framework, incorporating sustainable and green finance initiatives to advance carbon reduction and environmental conservation objectives. The Group conducts systematic monitoring of environmental KPIs to establish performance targets and facilitate continuous improvement. Additional detailed disclosures will be provided in subsequent communications.

Transition to a Low-carbon Economy

Climate Change and Resilience

The Group acknowledges that effective management of climate-related risks, coupled with robust climate adaptation and resilience strategies, is fundamental to ensuring long-term organisational sustainability. The systematic identification and management of climate-related risks and opportunities constitutes an essential component of the Group's strategic framework, enabling the development of comprehensive responses to climate-related challenges while facilitating the optimisation of emergent market opportunities.

During the Year, the Group conducted a comprehensive analysis of the drafted report of climate risk assessment with reference to the suggestions of the United Nations Environment Programme Finance Initiative (UNEPFI), complemented by comparative analysis of peer organisations' climate risk evaluations, to identify industry-specific climate-related risks.

Risk Type		Description	Industry Impact
Transition Risk	Policy and legislation	• More carbon taxes and other carbon costs hitting the market • Regulatory bodies are introducing more laws and regulations related to the environment and climate • The growing regional and national commitments to carbon neutrality are increasing pressure on all industries to strive for carbon neutrality	• Further driving up carbon prices, thereby increasing operating costs • Increasing pressures and costs associated with corporate compliance • This could potentially affect the company's existing operating methods and increase operational costs
	Technology	• The market share of low carbon products and technologies is gradually increasing	• Increasing uncertainty in revenues and profits
	Market	• Capital flows favour low carbon industries, sunk assets in high carbon industries may cause market fluctuations	• Affects the stability of the company's revenue generation and profitability
	Reputation	• Consumer preferences change	• Operations need to consider sustainable development and climate change factors, otherwise, they may gradually lose market share • If the company does not promptly respond to consumer and shareholder expectations for sustainable development, production processes, and information disclosure, it may suffer reputational damage
Physical Risk	Acute	• Extreme weather damages the company or its collateral assets	• Loss due to damage to assets • Increasing related insurance expenses
	Chronic	• Sea level rise • Increase in extremely hot/cold days	• The increasing risk of flooding in coastal areas may lead to asset loss and a rise in related insurance expenses • The increased use of cooling/heating equipment leads to higher energy costs, thereby increasing the company's operating costs

The Group shall undertake comprehensive analytical procedures to identify and prioritise material climate-related risks pertinent to its operational framework and evaluate their respective impacts. This systematic assessment will facilitate the formulation and implementation of appropriate strategic responses and mitigation measures to address identified risks.

Carbon Reduction and Management

As an integral constituent of the global community, the Group acknowledges its fundamental obligation to implement decisive measures towards low-carbon transition. The Group has instituted a comprehensive and strategic framework aimed at carbon footprint reduction. This framework encompasses the systematic implementation of diverse initiatives designed to minimise emissions and optimise resource utilisation efficiency. These initiatives, while primarily serving environmental preservation objectives, simultaneously contribute to the Group's sustainable development trajectory and reinforce its environmental stewardship commitment. The implemented measures encompass:

— Maximisation of telecommunication technologies, including video-conferencing and tele-conferencing facilities, to minimise non-essential business travel

— Prioritisation of rail and maritime transportation modalities over aviation for short-distance business travel requirements

— Implementation of systematic evaluation protocols regarding travel necessity, frequency optimisation, and transportation mode selection

— Adoption of direct flight protocols where business travel is deemed essential, thereby minimising associated emissions

The Group regularly monitors and assesses its greenhouse gas ("GHG") emissions to strengthen its carbon emissions management. During the Year, the Group's total GHG emissions reached 307.92 tonnes CO_2e, with an intensity of 1.70 tonnes CO_2e per staff member, representing significant increases of 46% and 56% respectively. Among these, carbon emissions from employee air travel increased significantly, leading to an unusual increase in Scope 3 emissions. This increase was primarily due to more frequent business exchanges in 2024 to accommodate business development needs, and coupled with improved data collection completeness, the final business travel frequency was much higher than during the business development adjustment period in 2023.

GHG Emissions[1]	Unit	2024	2023	% Change
Scope 1 — Direct emissions[2]	tonneCO_2e	3.71	3.88	–4%
Scope 2 — Energy indirect emissions[3]	tonneCO_2e	160.85	180.94	–11%
Scope 3 — Other indirect emissions[4]	tonneCO_2e	143.35	26.07	450%
Total GHG emissions	tonneCO_2e	307.92	210.89	46%
GHG intensity (by staff)	tonneCO_2e/staff	1.70	1.09	56%

1 GHG emissions were calculated based on "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong". Emission factors were adopted from "Hong Kong Electric Sustainability Report 2023" by The Hongkong Electric Company, Limited and "CLP 2023 Sustainability Report" by the CLP Holdings Limited.

2 Scope 1 emissions include emissions from combustion of diesel from vehicle.

3 Scope 2 emissions include emissions from purchased electricity. The electricity consumed by most of the Group's offices is supplied by The Hongkong Electric Company, Limited. There is only one office located in New East Ocean Centre that purchases electricity from CLP Holdings Limited.

4 Scope 3 emissions include emissions from business travel.

During the Year, air pollutants generated by the Group were mainly from vehicle fuel combustion, including 0.85kg nitrogen oxides, 0.02kg sulphur oxides and 0.06kg respiratory suspended particles.

Air Emissions[5]	Unit	2024	2023	% Change
Nitrogen oxides (NO_x)	kg	0.85	0.86	–1%
Sulphur oxides (SO_x)	kg	0.02	0.02	0%
Respiratory suspended particles (RSP)	kg	0.06	0.06	0%

Responsible Resources Management

Energy

The Group maintains a comprehensive commitment to the implementation of diverse energy efficiency protocols and initiatives designed to optimise energy consumption metrics. In furtherance of energy conservation objectives, the Group has instituted systematic energy-efficient measures for consumption management. Given that electrical procurement constitutes the primary source of energy utilisation, the Group systematically ensures optimal energy consumption through the following operational protocols:

— Implementation of systematic maintenance procedures for filtration systems and fan coil units to maximise ventilation system efficiency

— Maintenance of optimal indoor temperature parameters

— Strategic deployment of energy-efficient equipment, including Grade 1 Energy Label electronic systems and LED illumination infrastructure

— Enhancement of employee energy conservation awareness through systematic communication regarding non-operational equipment deactivation protocols

During the Year, the total energy consumption of the Group was 258.74 MWh and the intensity was 1.00 MWh/staff.

Energy	Unit	2024	2023	% Change
Direct energy consumption				
Petrol	MWh	0	0	—
Diesel	MWh	15.02	15.71	–4%
Indirect energy consumption				
Purchased electricity	MWh	243.72	267.46	–9%
Total energy consumption	MWh	258.74	283.17	–9%
Energy intensity (by staff)	MWh/staff	1.00	1.00	0%

5 Air emissions were mainly contributed by combustion of diesel from vehicle. Air emissions were calculated according to “Appendix 2: Reporting Guidance on Environmental KPIs” by HKEX. Emission factors were adopted from “Appendix 2: Reporting Guidance on Environmental KPIs” and “Emission Factors for Greenhouse Gas Inventories” by United States Environmental Protection Agency.

Water

The Group recognises the escalating global demand for water resources and has implemented comprehensive water conservation initiatives. To optimise water utilisation efficiency and promote responsible consumption practices, the Group maintains systematic oversight of its water management protocols. These protocols encompass the strategic deployment of conservation awareness communications and the implementation of monthly infrastructure inspections to ensure system integrity and prevent resource loss through equipment malfunction.

During the Year, the Group procured potable water exclusively from municipal supply networks, encountering no impediments in securing water resources appropriate for operational requirements. As the landlord cannot provide the relevant data, the amount of water consumption is not available this year. We will continue to communicate with the landlord to improve the data availability.

Water Consumption	Unit	2024[6]	2023	% Change
Total water consumption	m^3	n/a	129	n/a
Water intensity (by staff)	m^3/staff	n/a	0.67	n/a

Waste

The Group maintains rigorous adherence to the waste hierarchy principles, encompassing four fundamental strategies: Reduction, Reuse, Recycling, and Replacement ("4Rs"). In pursuit of waste minimisation objectives, the Group systematically implements comprehensive protocols to facilitate material reutilisation, optimise recycling efficiency, and ensure appropriate disposal methodologies. These initiatives incorporate the systematic reduction of single-use product consumption and the strategic deployment of waste segregation infrastructure to facilitate enhanced recycling practices.

Promoting Paperless Office

Reduce

- Opting for electronic delivery of corporate brochures and internal quarterly E-Newsletters
- Advocating for double-sided printing to save paper

Reuse

- Promoting the reuse of folders and envelopes for internal communications

Recycle

- Utilising a certified service provider for the collection and recycling of confidential paper documents
- Partnering with Baguio Green Group to collect and recycle used glass

Replace

- Procuring eco-friendly papers and materials, including PEFC-certified papers

6 The amount of water consumption is not available this year as the landlord cannot provide the relevant data.

The Group maintains stringent waste management protocols, ensuring compliance with established disposal procedures. Waste materials undergo systematic segregation prior to collection and management by designated property management services. Non-hazardous materials are directed to authorised collection facilities, while hazardous materials are processed by certified recycling specialists.

During the Year, the Group's operations generated 5.16 tonnes of non-hazardous waste, primarily consisting of domestic materials. Additionally, no hazardous wastes were generated during the year.

Waste	Unit	2024	2023	% Change
Total hazardous waste produced	tonne	0.00	0.03	–100%
Hazardous waste intensity (by staff)	tonne/'000 staff	0.00	0.16	–100%
Total non-hazardous waste produced	tonne	5.16	5.84	–12%
Non-hazardous waste intensity (by staff)	tonne/staff	0.03	0.03	0%

SUPPORTIVE WORKPLACE

The Group recognises that sustained operational excellence and long-term organisational development are fundamentally dependent upon its human capital, whose expertise, capabilities, dedication, and professional commitment are instrumental to organisational success. In pursuit of maintaining optimal employee relations and cultivating a competitive workforce, the Group implements comprehensive measures to establish and maintain an equitable and supportive professional environment. The Employment and Labour Policy Statement delineates the Group's formal commitment and operational frameworks governing employment practices, professional development initiatives, and occupational health and safety protocols.

Talent Management

The Group maintains a comprehensive employment management framework to safeguard employee interests. The Group has instituted systematic policies and procedures governing all aspects of employment administration, encompassing recruitment and termination protocols, career advancement mechanisms, remuneration structures, benefits administration, working hour regulations, rest period provisions, equal opportunity principles, diversity initiatives, anti-discrimination measures, labour standards compliance, and associated employment practices. These protocols are systematically documented within the Staff Manual, which is disseminated to all employees.

Talent Attraction and Retention

The Group maintains a comprehensive compensation framework designed to facilitate talent retention and acquisition. This framework encompasses base remuneration, performance-based incentives, supplementary allowances, mandatory provident fund participation, and additional compensatory elements. Employees are entitled to a comprehensive benefits package including leave entitlements, discretionary performance bonuses, medical coverage, health surveillance programs, and professional development allowances. The Group implements systematic performance evaluation protocols, incorporating annual salary reviews and performance appraisal at the conclusion of each financial year.

Diversity and Equal Opportunity

The Group maintains an institutional commitment to workplace diversity and equal opportunity principles, establishing and sustaining an organisational culture characterised by inclusivity, equitability, and professional respect. The Group implements comprehensive protocols to ensure equitable employment practices across all operational domains, extending equal treatment to all employees regardless of gender, age, ethnicity, religious affiliation, nationality, sexual orientation, or marital status. The Group maintains zero tolerance for discriminatory conduct or harassment. All employees-related determinations, including recruitment, advancement, transfer and compensation decisions, are executed exclusively on the basis of objective and performance-based criteria.

Labour Rights and Standards

The Group, in accordance with its position as a conscientious corporate entity, maintains rigorous adherence to ethical standards and human rights principles within its operational framework. The Staff Manual and employment contracts systematically delineate comprehensive terms and conditions of employment, ensuring the protection of both the Group's and employee interests. The Group implements standardised protocols governing resignation and termination procedures to maintain equitable treatment of all employees.

The Group maintains an absolute prohibition on child labour, forced labour, and all forms of unlawful employment practices. The Human Resources Department exercises systematic oversight of recruitment processes, including comprehensive verification of identity documentation, to prevent unauthorised employment arrangements. In the event of identified violations concerning child or forced labour practices, the Group shall implement immediate remedial protocols to safeguard the fundamental rights of affected individuals.

Employee Engagement

The Group maintains a comprehensive framework for fostering positive workplace dynamics through systematic implementation of diverse communication channels. These channels encompass operational meetings, structured dialogues, and performance evaluation protocols, facilitating the systematic collection and analysis of employee perspectives and recommendations. To enhance organisational cohesion and cultivate institutional belonging, the Group disseminates quarterly electronic newsletters and coordinates structured engagement initiatives, including annual corporate functions, seasonal celebrations, and specialised professional development workshops. These systematic engagement protocols serve to optimise workplace stress management while reinforcing organisational cohesion, thereby establishing and maintaining an environment characterised by professional support and institutional care.

The Group maintains a comprehensive grievance management framework designed to address and prevent workplace discrimination, harassment, and associated unethical or unlawful conduct. Employees may submit confidential reports directly to the Head of Internal Audit via dedicated electronic communication channels. Subsequently, these submissions undergo systematic processing and referral to the Human Resources Department for comprehensive evaluation, confidential investigation, and appropriate remedial action implementation.

Talent Development

The Group acknowledges that employees development and professional advancement constitute fundamental components of sustainable organisational growth. Accordingly, the Group maintains a comprehensive commitment to talent development through the systematic provision of equitable training initiatives and career advancement opportunities for all employees.

Nurturing Employees

The Group maintains a comprehensive commitment to employees development through the systematic provision of professional knowledge and skill enhancement opportunities. It implements structured in-house training programs complemented by external sponsorship initiatives to address diverse professional development requirements. The Group also demonstrates firmly support for continuous learning and professional advancement objectives. To facilitate these objectives, the Group provides systematic training and educational allowance frameworks designed to support participation in external educational programs and professional certification processes.

On-board Training	
• To ensure that employees understand the Group's mission, values, culture, and policies • To clarify the expectations and responsibilities of the employee's role	
• Orientation • Corporate culture and background	• Product training • Compliance training

On-the-job Training	
• To provide employees with the necessary skills and knowledge related to their job functions • To ensure consistency in performing tasks and maintaining quality standards	
• Compliance and regulatory updates • Anti-money laundering • Risk management and internal control	• Product and services • Cybersecurity • Professional development for eligible employees

External Training	
• To foster a culture of continuous learning and development • To ensure that the Group and its employees stay updated with the latest trends in the industry	
• Professional training by Securities and Futures Commission (SFC)	• Anti-corruption seminar by Independent Commission Against Corruption (ICAC) • Regulatory and industrial development update by external professional bodies

Grooming Talents

The Group maintains a systematic commitment to employees career advancement. Through structured annual performance evaluations, the Group conducts comprehensive assessments of professional competencies, leadership capabilities, and collaborative proficiencies to identify high-potential individuals for strategic advancement opportunities.

Employee Health and Safety

The Group maintains a paramount commitment to occupational health and safety within its operational framework. The Group systematically implements comprehensive protocols to establish and maintain optimal workplace safety conditions for all employees. Through rigorous adherence to established safety standards, the Group pursues a zero-incident operational objective while continuously enhancing its occupational health and safety frameworks. This institutional commitment is formally codified within the Employment and Labour Policy Statement and operationalised through diverse safety protocols.

Potential health and safety hazards are identified in the workplace to ensure employees' health and safety. Employees are provided with standardised protective equipment, and structured emergency response training, including fire evacuation protocols, is administered to enhance safety preparedness. Comprehensive incident reporting and management systems have been implemented to facilitate risk mitigation. The Group maintains a detailed business continuity framework to ensure operational resilience in response to potential disruptions.

In furtherance of employee wellness objectives, the Group coordinated influenza vaccination programs during the reporting period. The Group reports zero work-related fatalities across the preceding three reporting periods, including the current year. In 2024, 1 case of work-related injury was identified. We will continue to improve the employees' awareness on occupational safety.

LEGENDARY CUSTOMER EXPERIENCE

The Group maintains an unwavering commitment to product and service excellence, with customer experience and satisfaction constituting primary operational priorities. As a financial services provider, the Group acknowledges the fundamental importance of trust and reliability in maintaining client relationships. The Group implements a client-centric operational framework, delivering customised financial solutions aligned with individual requirements. The employees of the Group maintain steadfast dedication to service excellence, ensuring optimal client satisfaction through systematic value delivery. These institutional commitments and operational protocols are comprehensively delineated within the Supply Chain Management, Product Responsibility, and Anti-corruption Policy Statement.

Product and Service Quality

The Group maintains a comprehensive commitment to service excellence through systematic implementation of quality assurance protocols and after-sales management frameworks. The Group has instituted a Product and Risk Committee to exercise systematic oversight of product quality and customer service delivery. This committee conducts comprehensive evaluations of new products prior to market introduction. Through implementation of systematic review protocols, the Group maintains continuous analysis of current and projected market conditions to facilitate ongoing operational enhancement.

The Group maintains systematic protocols for customer engagement through diverse communication channels, encompassing dedicated service infrastructure including telephonic support, electronic correspondence, automated dialogue systems, and formalised complaint management frameworks. The Group implements comprehensive feedback management protocols to optimise stakeholder communication efficacy. The Group maintains an institutional commitment to expeditious query resolution, systematic feedback analysis, and strategic implementation of stakeholder perspectives.

In circumstances where customer grievances are registered, designated operational units implement systematic investigation protocols, execute appropriate response measures, and institute necessary remedial actions within established temporal parameters. During the reporting period, the Group recorded one customer complaint.

Responsible Marketing Practices

The Group maintains a rigorous commitment to maintain the integrity of its marketing communications, recognising their fundamental importance to institutional reputation, operational sustainability, and stakeholder relationships. The Group implements comprehensive protocols to ensure responsible marketing practices, systematically aligning service offerings with stakeholder requirements and expectations. Through systematic implementation of transparency protocols, the Group ensures the dissemination of precise and comprehensive product and service information to safeguard customer interests. The Legal and Compliance Department exercises systematic oversight of marketing materials to ensure adherence to authenticity standards, accuracy requirements, and regulatory compliance frameworks.

SUSTAINABLE FINANCE

The Group acknowledges its fundamental responsibility in facilitating sustainable economic growth and development through its financial services operations. The Group's financial decisions exert substantial influence on broader economic, social, and environmental outcomes, necessitating strategic alignment with sustainability principles, social responsibility frameworks, and economic stability objectives. The Group maintains a systematic commitment to integrating these foundational principles within its core operational strategies while advancing sustainable finance practices across both institutional operations and industry frameworks.

The Group implements comprehensive protocols to ensure its products and services deliver optimal stakeholder value while generating positive societal impact and minimising environmental consequences. Through systematic deployment of sustainable financial programs across operational domains, the Group aims to increase the proportion of revenue derived from green economy initiatives, with particular emphasis on capital market solutions. Environmental considerations are systematically incorporated within financing protocols, complemented by routine evaluation environmental performance of fund.

The Group maintains ongoing stakeholder engagement to advance industry best practices and market standards in sustainable finance. In furtherance of these objectives, the Group shall conduct systematic assessment on portfolio's sensitivity to climate change to facilitate comprehensive risk identification and mitigation.

CONNECTED COMMUNITIES

The Group maintains a comprehensive commitment to sustainable business development as a strategic "Growth Partner," implementing systematic value creation protocols for all stakeholders. The Group exercises rigorous focus on societal welfare enhancement through structured implementation of the Community Investment Policy Statement and ESG Strategy frameworks. Through systematic stakeholder engagement protocols, the Group identifies and addresses community requirements while facilitating developmental initiatives through diverse operational channels, encompassing institutional sponsorship, philanthropic contributions, volunteer service coordination, and strategic collaboration frameworks. The Group maintains systematic encouragement of employees participation in community engagement and educational advancement initiatives.

Category	Event	Description
Environmental Initiatives	BEC Net-zero Carbon Charter Signing	Became Action Signatory of BEC Net-zero Carbon Charter, committing to carbon reduction goals
	Beach Clean-up	Collaborated with Green Council at Stanley Beach to collect marine litter and raise environmental awareness
Youth Development	YO Dancical Sponsorship	Sponsored youth street dance performance at Sha Tin Town Hall, reaching over 2,000 audience
Community Service	Blood Donation Day	Organised blood donation campaign with Hong Kong Red Cross
	Food Angel Initiative	Prepared meals for needy communities at Sham Shui Po center
	Food Aid Distribution	Partnered with Tai Hing Group to distribute food to low-income families
Sports & Recreation	National Day 5KM Run	Sponsored and participated in anniversary celebration run

RESPONSIBLE CONDUCT

The Group maintains a fundamental commitment to responsible business conduct as a core operational principle, implementing systematic protocols to ensure ethical practices and comprehensive consideration of operational impacts across stakeholder constituencies. This institutional framework facilitates regulatory compliance while establishing and maintaining organisational culture characterised by transparency, accountability, and sustainable development objectives.

Business Ethics and Integrity

The Group maintains a stringent zero-tolerance policy regarding corruption, bribery, extortion, money laundering, and all forms of fraudulent activities. This institutional commitment is formally codified within the Supply Chain Management, Product Responsibility, and Anti-corruption Policy Statement. To systematically mitigate risks associated with bribery and money laundering, the Group has implemented a comprehensive Compliance Manual delineating business ethics protocols and operational procedures.

The Group maintains paramount emphasis on professional integrity in safeguarding financial system integrity. The Staff Dealing Policy, incorporated within the manual, systematically delineates comprehensive requirements governing securities and derivative contract transactions to ensure maintenance of professional integrity standards.

The Group maintains systematic disciplinary protocols to address non-compliance instances. The Legal and Compliance Department exercises comprehensive oversight through systematic documentation of all non-compliance incidents that involves employees. These documented incidents undergo systematic review during annual performance evaluation procedures.

Anti-corruption

The Group's Staff Manual, incorporating the Code of Conduct, and the Compliance Manual's Anti-Bribery Policy establish comprehensive protocols and operational standards for the prevention of bribery, fraudulent activities, and corruption. These documents provide systematic delineation of ethical business conduct requirements. The Group maintains stringent prohibition on employees solicitation or acceptance of advantages from external parties. All employees are required to execute the Staff Declaration Form, formally acknowledging comprehension of institutional requirements and affirming absence of potential conflicts of interest regarding investment dealing accounts. During the reporting period, the Group reports zero legal proceedings concerning corruption or money laundering involving either the Group or its employees.

The Group coordinated a professional development seminar in collaboration with the Independent Commission Against Corruption (ICAC), HKSAR, entitled "Professional Ethics — Key to Success," designed to enhance employees comprehension and awareness regarding anti-corruption protocols. This structured educational initiative, directed toward management and operational employees, encompassed comprehensive coverage of corruption reporting frameworks and contemporary legal proceedings, emphasizing the fundamental importance of professional integrity. The Group maintains systematic provision of anti-corruption training protocols for Board members on a recurring basis.

Anti-money Laundering

The Group maintains rigorous adherence to Anti-Money Laundering and Counter-Financing of Terrorism (AML/CFT) regulatory frameworks through systematic implementation of comprehensive preventive protocols. The Group has instituted a formalised Anti-Money Laundering and Counter-Terrorist Financing Policy within its Compliance Manual, complemented by robust AML/CFT operational infrastructure to ensure optimal risk management efficacy. Furthermore, the Group implements systematic risk-based protocols governing client due diligence processes and continuous monitoring frameworks.

Identify	Assess	Screen	Report
Identify different red flags through the deployment of regulatory technology and the exercise of professional judgement	Perform initial and ongoing assessment of customers' money laundering risk through the detailed due diligence process	Restrict dubious customer activities (e.g., third party payments, operation of multiple accounts)	Report suspicious transactions to the relevant authorities on a timely basis

Empowering Staff Through Comprehensive AML/CTF Training

Challenge:

The Group needed to ensure all employees could effectively identify suspicious transactions and screen high-risk customers in compliance with AML/CTF regulations.

Solution:

A multi-faceted training program was implemented, combining:

- In-person training sessions
- Self-study materials
- Learning assessments

Implementation:

The Legal and Compliance Department took charge of:

- Monitoring training completion
- Maintaining detailed training records
- Tracking training effectiveness

Results & Future Plans:

The program successfully enhanced employee capabilities in risk detection. Moving forward, the Group is:

- Continuously updating regulatory compliance measures
- Expanding surveillance system capabilities
- Improving quality of suspicious activity reporting

Whistleblowing

The Group maintains a systematic framework for promoting organisational transparency through implementation of comprehensive protocols enabling employees to report instances of misconduct, malpractice, or operational irregularities. The Group has established a formalised Whistleblowing Policy incorporating diverse reporting channels, encompassing electronic correspondence, postal communication, and direct consultation with the Head of Internal Audit. This policy framework provides systematic guidance regarding impropriety reporting procedures.

The institutional framework ensures comprehensive protection of whistleblowers against adverse treatment while maintaining stringent confidentiality protocols. All reported matters undergo systematic evaluation with appropriate consideration for fairness, diligence, and procedural integrity. Upon receipt of notifications, the Whistleblowing Committee conducts comprehensive assessment of validity and relevance parameters. Where warranted, the Group designates specialised investigation units to conduct systematic examination and implement appropriate remedial measures. During the Year, the Group reports zero whistleblowing incidents concerning malpractice or illegal activities within operational frameworks.

Data Privacy and Cybersecurity

The Group understands the significance of customer privacy protection and cybersecurity as fundamental components of its professional integrity within the financial trading sector. As delineated within the Supply Chain Management, Product Responsibility, and Anti-corruption Policy Statement, the Group dedicated to govern the collection, storage, utilisation, and processing of personal data in accordance with legal and ethical frameworks. The Group also restricts the unauthorised disclosure, exploitation, or utilisation of confidential information by employees through either direct or indirect channels. According to the Staff Manual, employees must maintain strict control over confidential information to protect the Company's interests. All trade secrets, technical data, and proprietary information must be kept secure and never disclosed to unauthorized parties. When managing company systems, employees should encrypt confidential data and secure their workstations with passwords when left unattended. It's crucial to exercise good judgment when using company systems and be particularly cautious with email attachments from unknown sources to prevent security breaches. Company information should never be used for personal purposes, and employees should understand that any confidentiality breaches may result in legal action.

The Group has implemented comprehensive internal control measures and operational guidelines to ensure optimal data security. The Staff Manual systematically delineates protocols governing the utilisation of computational and electronic communication infrastructure. The Acceptable Use Policy establishes comprehensive parameters regarding authorised utilisation of organisational computing resources to facilitate systematic protection against cyber threats, network vulnerabilities, and legal exposure.

The Group maintains systematic allocation of resources toward enhancement of cybersecurity management frameworks, with strategic focus on dual operational priorities: advancement of technological infrastructure and elevation of organisational awareness. The Group implements proactive system enhancement protocols through strategic investment in advanced technological solutions while systematically cultivating institutional cybersecurity culture through comprehensive training initiatives directed toward the management and employees in coordination with the Information Technology Department to maintain optimal vigilance standards.

Optimising the network monitoring system	• New generation of anti-virus and networking activity monitoring systems for protection against zero-day threats and ransomware • Instant detection and blockage of any unauthorised internal network devices connected to the network • 24-hour security operation centre and threat intelligence for round the clock detection and the fastest response possible against malicious activities • Full compliance with latest regulatory requirements
Upgrading the email firewall	• Reduced the number of spammed emails by over 99% successful blocking • Increased performance of 70% successful block rate in comparison to the previous version • Protection against zero-day attacks and ransomware
Conducting regular scanning and penetration tests	• Carried out routine internal and external network and applications scanning and penetration tests to detect loopholes ahead • Adopted the standard practice of scanning in-house developed source code on a regular basis and before application deployment • Hire external auditors to conduct annual computer intrusion tests to evaluate the effectiveness of security management and control
Reinforcing internal policies and controls	• Conducted periodic review and updates on internal policies and guidelines, including but not limited to VPN access, work-from-home, cybersecurity guidelines, vulnerability handling procedures etc. • Adopted dual-factor authentication for remote access • Collect customer information through legal channels • Restrictions on the use and storage of data by limiting the rights of employees to access sensitive information • Establish a reporting and handling mechanism for data protection compliance incidents
Promoting awareness on cybersecurity and customer privacy protection	• Stipulated cybersecurity awareness training as a part of the mandatory staff on-boarding processes • Sent out regular phishing email tests and reminder at random intervals throughout the year to raise the cautiousness • Provide regular training to employees • Provided employees with periodic training and latest update on cybersecurity and customer privacy protection

During the Year, no incident related to data privacy and security occurred within the Group. Considering the growing dependence on technology and the internet due to the digitisation of financial operations, the Group will continue to allocate ample resources to improve cybersecurity protection. In the near future, the Group plans to offer more diverse training sessions, including both classroom and virtual cybersecurity training for staff. The aim is to achieve at least 90% training coverage in the next year.

Intellectual Property Rights

The Group maintains rigorous protocols for safeguarding intellectual property rights and ensuring confidentiality of proprietary information, as formally delineated within the Supply Chain Management, Product Responsibility, and Anti-corruption Policy Statement. The Group implements systematic prohibition of activities that may compromise the establishment, preservation, or enforcement of intellectual property rights. To systematically prevent infringement or misappropriation, the Group deploys comprehensive protective measures encompassing trademark maintenance and monitoring protocols, systematic acquisition of external information utilisation consent, and engagement of third-party professional consultation services as circumstances warrant.

Supply Chain Management

The Group has instituted a comprehensive Procurement Policy to establish standardised procurement protocols and operational procedures. This institutional framework systematically delineates the functions of the Procurement Panel, which undergoes annual review processes. The Group implements transparent and equitable supplier selection protocols, executing systematic objective evaluations and making reasonable judgments in supplier selection.

In accordance with the Supply Chain Management, Product Responsibility, and Anti-corruption Policy Statement, the Group maintains systematic commitment to evaluating and managing environmental and social risk factors within supply chain operations. Regular communication and evaluation with suppliers are conducted to enhance their performance and ensure they adhere our expectation on ESG.

The Group maintains systematic prioritization of environmentally sustainable products and services within procurement frameworks where operationally feasible. Office supply procurement, as an example, systematically prioritise acquisition of soy-based ink products and FSC-certified paper materials. The Group shall implement comprehensive policies and operational guidelines to facilitate ongoing monitoring and management of environmental and social risk factors throughout supply chain operations.

Compliance Management

The Group maintains unwavering compliance with all applicable legislative and regulatory frameworks, acknowledging that non-compliance may precipitate significant adverse consequences for operational efficacy, performance metrics, financial stability, and institutional reputation. The Group has implemented comprehensive internal control mechanisms to ensure systematic adherence to regulatory requirements across all business operations.

During the Year, the Board and management confirm that no material breaches or instances of non-compliance with ESG-related laws and regulations have occurred that would substantively impact the Group's business operations or organisational objectives.

Aspect	Relevant Laws and Regulations with Significant Impacts
Emissions	• Air Pollution Control Ordinance (Cap. 311) • Waste Disposal Ordinance (Cap. 354) • Water Pollution Control Ordinance (Cap. 358)
Employment and Labour Standards	• Employment Ordinance (Cap. 57) • Minimum Wage Ordinance (Cap. 608) • Employment of Children Regulations (Cap. 57B)
Occupational Health and Safety	• Air Pollution Control Ordinance (Cap. 311) • Occupational Safety and Health Ordinance (Cap. 509) • Employee Compensation Ordinance (Cap. 282)
Product Responsibility	• Personal Data (Privacy) Ordinance (Cap. 486)
Anti-corruption	• Prevention of Bribery Ordinance (Cap. 201) • Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615)

APPENDIX

Key Statistics

Environmental Performance

Key Performance Indicators	Unit	2024	2023	2022
A1 Emissions				
Air Emissions[7]				
Nitrogen oxides (NO_x)	kg	0.85	0.86	0.65
Sulphur oxides (SO_x)	kg	0.02	0.02	0.02[8]
Respiratory suspended particles (RSP)	kg	0.06	0.06	0.05
GHG Emissions[9]				
Scope 1 — Direct emissions[10]	tonneCO_2e	3.71	3.88	3.2
Scope 2 — Energy indirect emissions[11]	tonneCO_2e	160.85	180.94	267.6
Scope 3 — Other indirect emissions[12]	tonneCO_2e	143.35	26.07	0
Total GHG emissions	tonneCO_2e	307.92	210.89	270.8
GHG intensity (by staff)	tonneCO_2e/staff	1.70	1.09	1.43
Waste				
Total hazardous waste produced	tonne	0.00	0.03	0.01
Hazardous waste intensity (by staff)	tonne/'000 staff	0.00	0.16	0.1
Total non-hazardous waste produced	tonne	5.16	5.84	5.6
Non-hazardous waste intensity (by staff)	tonne/staff	0.03	0.03	0.03

7 Air emissions were mainly contributed by combustion of diesel from vehicle. Air emissions were calculated according to "Appendix 2: Reporting Guidance on Environmental KPIs" by HKEX. Emission factors were adopted from "Appendix 2: Reporting Guidance on Environmental KPIs" and "Emission Factors for Greenhouse Gas Inventories" by United States Environmental Protection Agency.

8 The emissions of sulphur oxides in 2022 have been restated due to refined calculation.

9 GHG emissions were calculated based on "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong". Emission factors were adopted from "Hong Kong Electric Sustainability Report 2023" by The Hongkong Electric Company, Limited and "CLP 2023 Sustainability Report" by the CLP Holdings Limited.

10 Scope 1 emissions include emissions from combustion of diesel from vehicle.

11 Scope 2 emissions include emissions from purchased electricity. The electricity consumed by most of the Group's offices is supplied by The Hongkong Electric Company, Limited. There is only one office located in New East Ocean Centre that purchases electricity from CLP Holdings Limited.

12 Scope 3 emissions include emissions from flights taken for business travel.

Key Performance Indicators	Unit	2024	2023	2022
A2 Use of Resources				
Energy				
Direct energy consumption				
Petrol	MWh	0	0	0
Diesel	MWh	15.02	15.71	12.8
Indirect energy consumption				
Purchased electricity	MWh	243.72	267.46	379.8
Total energy consumption	MWh	258.74	283.17	392.6
Energy intensity (by staff)	MWh/staff	1.00	1.00	2.07
Water				
Total water consumption	m^3	n/a	129[13]	528[13]
Water intensity (by staff)	m^3/staff	n/a	0.67	2.78

Social Performance

Key Performance Indicators		Unit	2024[14]	2023[15]	2022[16]
B1 Employment					
Number of staff[17]					
Total			**181**	**193**	**190**
By gender	Male		103	114	111
	Female		78	79	79
Be age group	Under 30		15	27	30
	30–50		121	123	124
	Over 50		45	43	36
By staff grade	Board and Senior management	person	6	7	4
	Middle management		27	29	29
	General staff		148	157	157
By geographical region	Hong Kong		181	193	190

13 Two operating sites were excluded in 2023 and 2022 due to lack of water consumption data from the office rental landlord.

14 In 2024, the number of staff included both full-time and part-time staff, which 4 were part-time staff.

15 In 2023, the number of staff only included full-time staff, the data of part-time staff (4 part-time staff) are excluded.

16 In 2022, the number of staff only included full-time staff, the data of part-time staff (8 part-time staff) are excluded.

17 Total number of employees at the end of the Year, all of which are full-time and part-time employees in Hong Kong. Other workers, such as cleaning staff and technician hired via third-parties, are not included.

Key Performance Indicators		Unit	2024	2023	2022
Number of other workers[18]					
Total			**83**	**71**	**98**
By type	Self-employed — Market trading services[19]	person	75	60	82
	Self-employed — Office cleaning services	person	3	3	4
	Contractual workers — Consultant	person	4	3	3
	Contractual staff — Intern, Part-time staff	person	1[14]	5[15]	9[16]
Number and rate of new staff[20]					
Total			**43 (23.8%)**	**38 (19.7%)**	**37 (19.5%)**
By gender	Male	person (%)	19 (18.4%)	21 (18.4%)	19 (17.1%)
	Female	person (%)	24 (30.8%)	17 (21.5%)	18 (22.8%)
Be age group	Under 30	person (%)	8 (53.3%)	13 (48.1%)	8 (26.7%)
	30–50	person (%)	26 (21.5%)	17 (13.8%)	25 (20.2%)
	Over 50	person (%)	9 (20.0%)	8 (18.6%)	4 (11.1%)
By staff grade	Board and Senior management	person (%)	0 (0%)	3 (42.9%)	—
	Middle management	person (%)	6 (22.2%)	4 (13.8%)	—
	General staff	person (%)	37 (25.0%)	31 (19.7%)	—
By geographical region	Hong Kong	person (%)	43 (23.8%)	38 (19.7%)	37 (19.5%)

18 In accordance with the "How to prepare an ESG Report Appendix 3: Reporting guidance on Social KPIs" published by the HKEX, "other workers" refer to agents/contractors/suppliers hired by the issuer to perform work at a workplace controlled by the issuer or in a public area and/or to deliver work/services at the workplace of a client of the issuer; and interns/volunteers performing unpaid work for the issuer.

19 The marketing trading services included the account executive, relationship manager, and financial consultant.

20 Rate of new staff = number of new employees of the category/total number of employees of the category at the end of the Year x 100%.

Key Performance Indicators		Unit	2024[14]	2023[15]	2022[16]
Number and rate of staff turnover[21]					
Total			**58 (32.0%)**	**44 (22.8%)**	**74 (38.9%)**
By gender	Male	person (%)	32 (31.1%)	21 (18.4%)	37 (33.3%)
	Female		26 (33.3%)	23 (29.1%)	37 (46.8%)
Be age group	Under 30		14 (93.3%)	10 (37.0%)	14 (46.7%)
	30–50		34 (28.1%)	26 (21.1%)	47 (37.9%)
	Over 50		10 (22.2%)	8 (18.6%)	13 (36.1%)
By staff grade	Board and Senior management		1 (16.7%)	—	—
	Middle management		7 (25.9%)	6 (20.7%)	—
	General staff		50 (33.8%)	38 (24.2%)	—
By geographical region	Hong Kong		58 (32.0%)	44 (22.8%)	74 (38.9%)

Key Performance Indicators		Unit	2024	2023	2022
B2 Occupational Health and safety					
Staff	Number of work-related fatalities	person	0	0	0
	Rate of work-related fatalities (per'00 staff)	fatalities/ '00 staff	0	0	0
	Number of work-related injuries	person	1	0	1
	Rate of work-related injuries (per'00 staff)[22]	injuries/ '00 staff	0.6	0	0.5
	Number of lost days due to work-related injuries	day	12	0	1.5
Other workers	Number of work-related fatalities	person	0	0	0
	Rate of work-related fatalities (per'00 other workers)	fatalities/ '00 other workers	0	0	0
	Number of work-related injuries	person	0	0	0
	Rate of work-related injuries (per'00 other workers)	injuries/ '00 other workers	0	0	0
	Number of lost days due to work-related injuries	day	0	0	0

21 Rate of staff turnover = number of turnover of the category/total number of employees of the category at the end of the Year x 100%.

22 Work-related injury rate per 100 employees = number of work-related injuries/total number of employees at the end of the Year x 100%.

Key Performance Indicators		Unit	2024	2023	2022
B3 Training and Development					
Rate of staff trained[23]					
Total			**77**	**46**	**51**
By gender	Male		50	52	60
	Female		27	37	37
By employment level	Board and Senior management	%	5	71	75
	Middle management		17	66	66
	General staff		55	41	47
Average training hours[24]					
Total			**6.6**	**5.6**	**6.6**
By gender	Male		7.3	6.6	8.3
	Female		5.6	4.1	4.3
By employment level	Board and Senior management	hour/person	16.5	9.3	12.5
	Middle management		11.6	8.0	8.4
	General staff		5.2	5.0	6.1

Key Performance Indicators		Unit	2024	2023	2022
B5 Supply Chain Management					
Number of suppliers					
Total			**63**	**77**	**31**
By geographical region	Hong Kong		63	77	23
	Mainland China		0	0	1
	Other region		0	0	7
By category	Food		7	—	—
	Printing/packaging supplies/cleaning supplies/uniforms/fuel	number of supplier	8	—	—
	Device/equipment/system/ repair and maintenance/ testing/water, electricity, coal/telecommunications		48	—	—

23 Employee trained rate = number of employees trained in the category/total number of employees of the category at the end of the Year x 100%.

24 Average training hours = total hours of training received by employees of the category/total number of employees of the category at the end of the Year.

Key Performance Indicators	Unit	2024	2023	2022
B6 Product responsibility				
Number of products and service-related complaints received	number of complaint	1	0	2

Key Performance Indicators		Unit	2024	2023	2022
B7 Anti-corruption Training					
Rate of staff received anti-corruption training[25]					
By staff grade	Board and Senior management	%	100	100	—
	Middle management	%	63	69	—
Average anti-corruption training hours[26]					
By staff grade	Board and Senior management	hour/person	1	1	1.15
	Middle management	hour/person	0.63	0.69	1

25 Rate of staff received anti-corruption training = number of employees received anti-corruption training in the category/total number of employees of the category at the end of the Year x 100%.

26 Average anti-corruption training hours = total hours of anti-corruption training received by employees of the category/total number of employees of the category at the end of the Year.

HKEX ESG GUIDE CONTENT INDEX

Aspects, General Disclosure and KPIs	Description	Page/Remark
Mandatory Disclosure Requirements		
Governance Structure	(i) A disclosure of the board's oversight of ESG issues. (ii) The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses). (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	26–28
Reporting Principles	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	25, 28–30
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	25
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	31, 33–35, 46

Aspects, General Disclosure and KPIs	Description	Page/Remark
A1.1	The types of emissions and respective emissions data.	33–34
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	33, 48
A1.3	Total hazardous waste produced and intensity.	36, 48
A1.4	Total non-hazardous waste produced and intensity.	36, 48
A1.5	Description of emission target(s) set and steps taken to achieve them.	33–35
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	35–36
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	34–35
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	34, 49
A2.2	Water consumption in total and intensity.	35, 49
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	34–35
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	35
A2.5	Total packaging material used for finished products and per unit produced.	Due to the nature of the Group's business, packaging material is not significant issue for us and thus no relevant details are disclosed.
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Due to the nature of the business, we do not involve any significant environment impacts activities.
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Aspects, General Disclosure and KPIs	Description	Page/Remark
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	31–33
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	31–33
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	36–37, 47
B1.1	Total workforce by gender, employment type, age group and geographical region.	49
B1.2	Employee turnover rate by gender, age group and geographical region.	51
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	38–39, 47
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	51
B2.2	Lost days due to work injury.	51
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	38–39

Aspects, General Disclosure and KPIs	Description	Page/Remark
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	37–38
B3.1	The percentage of employees trained by gender and employee category.	52
B3.2	The average training hours completed per employee by gender and employee category.	52
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	37, 47
B4.1	Description of measures to review employment practices to avoid child and forced labour.	37
B4.2	Description of steps taken to eliminate such practices when discovered.	37
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	46
B5.1	Number of suppliers by geographical region.	52
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	46
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	46
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	46

Aspects, General Disclosure and KPIs	Description	Page/Remark
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	39–40, 44–46
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Given its business nature, the Group did not involve in any product production.
B6.2	Number of products and service-related complaints received and how they are dealt with.	39, 53
B6.3	Description of practices relating to observing and protecting intellectual property rights.	46
B6.4	Description of quality assurance process and recall procedures.	Given its business nature, the Group did not involve in any quality assurance process and recall procedures for product production.
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	44–46
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	42–44, 47
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	42
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	42–44
B7.3	Description of anti-corruption training provided to directors and staff.	42–43

Aspects, General Disclosure and KPIs	Description	Page/Remark
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	41
B8.1	Focus areas of contribution.	41
B8.2	Resources contributed to the focus area.	41

Corporate Events

Jan 2024

BECAME THE GOLD SPONSOR OF "HONG KONG CAPITAL MARKET FORUM 2024"

The Group fully supported the "Hong Kong Capital Markets Forum 2024" and was the annual gold sponsor of the forum. The forum was organised by The Chamber of Hong Kong Listed Companies, The Hong Kong Institute of Directors and Hong Kong Association of Registered Public Interest Entity Auditors Limited. It was also supported by the Hong Kong Exchanges and Clearing Limited and The Securities and Futures Commission, and the opening speech was given by Mr. Paul CHAN Mo Po, the Financial Secretary of the Hong Kong Special Administrative Region. Dr. Kenneth LAM, Co-Chairman and CEO of the Group, gladly served as the chairman of the organizing committee, while Mr. Stacey WONG, the Chief Operating Officer of the Group moderated the panel discussion on "Boosting Liquidity of Hong Kong Capital Markets". The theme of this year's forum was "Driving Growth with Market Integrity and Sound Governance". Distinguished guests from various sectors such as government, banking, finance and academia have provided multidimensional analysis and discussions on the global economy and the development of the Hong Kong market. It was hoped that through collaboration among leaders from various fields, opportunities could be seized together, and a sustainable future could be achieved.

Mar
2024

BECAME A SIGNATORY OF THE BEC NET-ZERO CARBON CHARTER

The Group has become an action signatory of the Business Environment Council (BEC) Net-zero Carbon Charter. The Group had the privilege of attending the Charter Annual Event, where our representatives from our sustainability team joined other climate leaders, industry pioneers, and advocates in the business community to demonstrate our shared objective — achieving net-zero emissions and building a resilient future. The BEC Net-zero Carbon Charter is a city-wide initiative that brings together businesses in the collective effort to combat climate change. The Group firmly believed that businesses play a pivotal role in reducing their carbon footprint and environmental impact. By aligning ourselves with a coalition of forward-thinking businesses, the Group's reaffirming our dedication to combating climate change, making a positive environmental impact to our planet, and reaching the sustainable development goals.

Corporate Events

Mar
2024

BEACH CLEAN-UP EVENT IN COLLABORATION WITH GREEN COUNCIL

The Group was committed to healthy and sustainable living as well as promoting the spirit of caring for nature. To encourage environmental protection among the public, a beach clean-up in collaboration with Green Council was held at Stanley main beach water sports centre, led by the Group senior management, with colleagues across different departments. Our volunteers joined forces to collect small beach litter, including cigarette butts, micro plastics, and plastic items, with the goal of restoring a plastic-free and clean environment on the beach. During the event, staff members from Green Council explained the types and disposal of marine litter, as well as its impact on marine life. The volunteers diligently recorded the quantity and types of garbage they collected, enabling the environmental organisation to organise and analyse the data after the activity. This helped us understand the state of coastal pollution and contributed to future educational outreach and pollution prevention efforts, ultimately protecting the marine ecosystem in the long run. The Group has always encouraged employees to participate in various environmental activities, taking practical actions to protect the environment and educate future generations about the importance of conservation. The Group would continue to uphold our corporate social responsibility and work together with our employees to bring about positive changes in our living environment, building a better community hand in hand.

Apr 2024

NAGOMI PASTEL ART WORKSHOP

The Group partnered with the Occupational Safety & Health Council to organise an "Art and Mindfulness — Nagomi Pastel Art Workshop" for its employees. Tutors from the Social Service Department of Yan Chai Hospital provided a brief introduction to harmony pastels and demonstrated painting techniques on the spot. Subsequently, the employees had the opportunity to create their own artworks. The Group placed great emphasis on the physical and mental well-being of its employees, hoping that the workshop could bring peace and tranquility to the participants' minds and achieve positive and artistic healing effects.

SUPPORTED 10TH ANNUAL YO DANCICAL BY YOUTH OUTREACH

May 2024

The Group was delighted to collaborate with the Youth Outreach and sponsor the 10th YO Dancical, the Youth Outreach street dance performance, in 2024. The street dance performance was held at the Sha Tin Town Hall on 19 May. Through the rehearsals and performance, the Youth Outreach hoped to allow young people to showcase their talents and rebuilt their self-confidence. A matinee session was set up for students and teachers to attend for free, while the evening session was open to the public, attracted a total audience of over 2,000 people. The Group also provided free tickets for its employees to attend, fully supporting the Youth Outreach's efforts to promote youth development.

May
2024

BECAME THE BRONZE SPONSOR OF THE ANNUAL CONFERENCE 2024 "HONG KONG CORPORATE GOVERNANCE AND CAPITAL MARKET REFORM"

The Group was honored to be the Bronze Sponsor of HKiNED Annual Conference 2024. This year's conference was themed around "Hong Kong Corporate Governance and Capital Market Reform" Through a series of keynote speeches and discussions, it aimed to explore topics such as listing reform, virtual assets, and the 18C specialised technology industry.

BLOOD DONATION DAY 2024

Jun
2024

The Group collaborated with the Hong Kong Red Cross Blood Transfusion Service to organise a blood donation campaign. Blood transfusion is a vital aspect of healthcare and can be life-saving in various medical conditions. It played a significant role in saving countless lives every year, both in routine procedures and emergency situations. In response to the urgent appeal for blood inventory replenishment, the Group once again hosted a Blood Donation Day, resulted in a substantial number of qualified blood donations to the Hong Kong Red Cross Blood Transfusion Service.

Jun
2024

SUPPORTED FOOD ANGEL'S COMMUNITY OUTREACH INITIATIVE

The Group has once again participated in the "Community Outreach Food Assistance Service" organised by Food Angel. At the Food Angel food processing center in Sham Shui Po, the Group helped prepare ingredients and assemble meal boxes to provide food assistance to those in need. Through the outreach service, Food Angel has been delivering hot meals and food packs as a way to reach out and show care for the chronically ill, the mobility-challenged, and the elderly who are homebound and isolated. The Group would continue to serve the community and give back to society.

ON-SITE FLU VACCINATION 2024

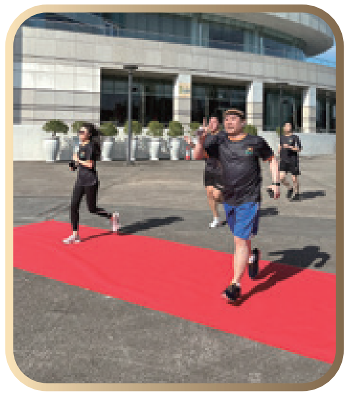
Oct
2024

With the winter flu season on the horizon, the Group implemented a dedicated influenza vaccination program to help minimize the risk of employees contracting the virus and to prevent its transmission within the workplace. This year, the Group offered free flu vaccinations to all employees. The well-being of staff has always been a top priority for the Group, which is dedicated to protecting their health. Looking ahead, the Group planned to introduce additional initiatives and welfare programs that promote a healthy lifestyle, thereby upholding its social responsibility and showing care for its employees in alignment with ESG principles.

Corporate Events

Oct 2024

SPONSORSHIP OF THE NATIONAL DAY 5KM RUN



To celebrate the 75th anniversary of the founding of the PRC, the Group has become a sponsor of the National Day 5KM Run event and sent employees to participate in the race, celebrating National Day together. The event started at the Hong Kong Reunification Monument, passing through the Wan Chai and Central and Western District waterfront promenades, and turned back at the Central Pier. The day was sunny, and the atmosphere was vibrant, as participants completed an exciting race.

FOOD AID DISTRIBUTION FOR FAMILIES IN NEED WITH TAI HING GROUP

Nov 2024

The Group has once again partnered with the Catholic Diocese of HK Diocesan Pastoral Centre for Workers (Kowloon) this year, collaborating with Tai Hing Group to distribute food bags to low-income families in need. The Group representatives engaged with grassroots workers to understand and care about their work and living conditions, offering them support. The Group was very pleased to spread love and warmth to the community and looks forward to continuing to give back to society and benefit the public through diverse donations and volunteer activities in the future.

Dec 2024

BECAME THE GOLD SPONSOR OF 2024 HONG KONG CORPORATE GOVERNANCE & ESG EXCELLENCE AWARDS

The Group was honored to be the Gold Sponsor of the 2024 Corporate Governance & ESG Excellence Awards for the third consecutive years. Organised by The Chamber of Hong Kong Listed Companies, these awards recognised listed companies that demonstrated exceptional commitment to shareholder rights, compliance, integrity, fairness, responsibility, accountability, transparency, board independence, leadership, and ESG initiatives. During the event, guests exchanged insights on how strong corporate governance enhanced investor confidence. The evening gathered representatives from both government and industry leaders, making it a memorable occasion.

Profile of Directors, Senior Management, Senior Advisors and Key Executives

EXECUTIVE DIRECTORS

Mr. HAN Xiaosheng (韓曉生), aged 68, is the Co-Chairman of the Board and executive Director. He joined the Board in February 2017. He is also the chairman of nomination committee of the Company. Mr. HAN is a director and one of the controlling shareholders of Quam Tonghai Holdings Limited, which is a substantial shareholder of the Company. He previously served as an executive director, the chairman of the board and chief executive officer of China Oceanwide Holdings Limited (in liquidation, whose shares are listed on the Stock Exchange (Stock Code: 715)). He obtained a master's degree in economics from Renmin University of China in July 1996 and a Ph.D in Management from Huazhong University of Science & Technology in June 2018. He is a senior accountant in the People's Republic of China.

Mr. Kenneth LAM Kin Hing (林建興), aged 71, joined the Company in 2001, and is currently the Co-Chairman of the Board, executive Director and Chief Executive Officer of the Group. He is a member of nomination committee of the Company. Since 1994, he has been the Managing Director of Dharmala Capital Holdings Group, a company which was subsequently amalgamated with the Company. Mr. LAM is a responsible officer for Types 1, 2, 4, 6 and 9 regulated activities under the SFO for Quam Securities Limited and a responsible officer for Types 1, 4 and 9 regulated activities under the SFO for Quam Asset Management Limited. He is a director and one of the controlling shareholders of Quam Tonghai Holdings Limited, which is a substantial shareholder of the Company. Mr. LAM had worked for an international bank for 10 years as the head of its PRC and corporate banking operations. Mr. LAM has more than 40 years of experience in corporate finance and banking. He is the vice chairman of the General Committee of The Chamber of Hong Kong Listed Companies since June 2021, and was the vice Chairman and past Chairman (2009 to 2010) of the Institute of Securities Dealers Limited. He holds a Bachelor of Science Degree in University of Western Ontario (now known as Western University) with a double major in Computer Science and Economic (1976), and a Master of Business Administration in the 3-Year MBA Program of The Chinese University of Hong Kong (1983). In 2012, he was conferred on Honorary Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctor of Laws by Lincoln University.

Mr. LIU Hongwei (劉洪偉), aged 58, is the executive Director. He joined the Board in February 2017. He is a member of remuneration committee of the Company. He is the director and vice-president of China Oceanwide Holdings Group Co., Ltd* (中國泛海控股集團有限公司) and director and president of China Oceanwide Group Limited. He previously served as an executive director and deputy chairman of the board of China Oceanwide Holdings Limited (in liquidation, whose shares are listed on the Stock Exchange (Stock Code: 715)). He obtained a bachelor's degree in engineering from Dalian Ocean University (formerly known as Dalian Fisheries College) in July 1989 and a master's degree in management from Massey University in New Zealand in April 2006.

NON-EXECUTIVE DIRECTOR

Mr. WANG Liuqi (汪六七), aged 53, is the non-executive Director appointed on 23 January 2025. Mr. WANG is the executive director and legal representative of Beijing Raystone Capital Management Co., Ltd.* (北京瑞石資本管理有限公司). He is the independent non-executive director of Da Ming International Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 1090). Mr. WANG obtained (i) a Bachelor's degree in accounting and a Master's degree in accounting from Jilin University of Finance and Economics (formerly known as Changchun Taxation Institute* (長春稅務學院) in the PRC in 1995 and 2001, respectively; and (ii) a Doctorate in management from Chinese Academy of Fiscal Sciences* (中國財政科學研究院) (formerly known as the Institute of Fiscal Science of the Ministry of Finance* (財政部財政科學研究所) in the PRC in 2009. He is a non-practicing member of the Chinese Institute of Certified Public Accountants, a senior chartered certified accountant and one of the first batch of sponsor representatives in China.

Mr. WANG has extensive business management experience in investment banking and securities industry. From 1993 to 1999, Mr. WANG served as a lecturer at Changchun Institute of Technology. From 1999 to 2009, Mr. WANG worked in various positions at Northeast Securities Co., Ltd.* (東北證券股份有限公司), whose shares are listed on Shenzhen Stock Exchange (Stock Code: 000686) ("Northeast Securities"), including serving as business manager of investment bank headquarters of Northeast Securities, senior manager, general manager of Northeast investment banking department, general manager of Beijing investment banking department, general manager of mergers and acquisitions department, and general manager of investment banking management headquarters. From 2009 to 2011, he served various positions including assistant to the general manager and general manager of the investment banking headquarters of Capital Securities Corporation Limited* (首創證券股份有限公司), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601136). From 2011 to 2018, Mr. WANG served as the business director (vice president) of the equity financing business line of China Galaxy Securities Co., Ltd.* (中國銀河證券股份有限公司), whose shares are dually listed on the Stock Exchange (Stock Code: 6881) and Shanghai Stock Exchange (Stock Code: 601881), a member of executive committee as well as the general manager of its investment banking headquarters. He also served as an independent director of Everbright Jiabao Co., Ltd.* (光大嘉寶股份有限公司) from 2020 to 2022, whose shares are listed on Shanghai Stock Exchange (Stock Code: 600622). Since April 2023, Mr. WANG has served as the deputy director of the 15th Central Economic Committee of the China Association for the Promotion of Democracy.

Profile of Directors, Senior Management, Senior Advisors and Key Executives

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Roy LO Wa Kei (盧華基), aged 53, is the independent non-executive Director. He joined the Board in February 2017. He is the chairman of audit committee of the Company and a member of nomination committee of the Company. Mr. LO is currently the independent non-executive director of G-Resources Group Limited, whose shares are listed on the Stock Exchange (Stock Code: 1051) and an independent director of New Hope Dairy Co., Ltd. (新希望乳業股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 2946). He also serves as the managing partner of SHINEWING (HK) CPA Limited, the member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議上海第十四屆委員會委員), the president of the Hong Kong Independent Non-Executive Director Association (2021–2022), the councilor and past Divisional President 2019 — Greater China of CPA Australia. He previously served as an independent non-executive director of the following public companies whose shares are listed on the Stock Exchange, including Wan Kei Group Holdings Limited (Stock Code: 1718) from March 2017 to January 2024, China Oceanwide Holdings Limited (in liquidation, Stock Code: 715) from November 2014 to September 2023, Sun Hing Vision Group Holdings Limited (Stock Code: 125) from May 1999 to March 2021, China Zhongwang Holdings Limited (Previous Stock Code: 1333 and delisted in April 2023) from October 2008 to October 2021 and Xinming China Holdings Limited (Stock Code: 2699) from June 2015 to November 2021. He obtained a bachelor's degree in business administration from The University of Hong Kong in November 1993 and a master's degree in professional accounting from The Hong Kong Polytechnic University in November 2000. An honorary fellowship was conferred on him by the Vocational Training Council in 2023. He is a certified public accountant in Hong Kong, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of CPA Australia and a fellow of The Institute of Chartered Accountants in England and Wales.

Mr. LIU Jipeng (劉紀鵬), aged 68, is the independent non-executive Director. He joined the Board in December 2017. He is the chairman of remuneration committee of the Company, a member of the audit committee and nomination committee of the Company. Mr. LIU is currently an independent director of CECEP Solar Energy Co., Ltd.* (中節能太陽能股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000591), Ucap Cloud Information Technology Co., Ltd.* (開普雲信息科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (Stock Code: 688228) and Xiamen Changelight Co., Ltd. (廈門乾照光電股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 300102). He previously served as independent non-executive director of China Minsheng Banking Corp., Ltd.* (中國民生銀行股份有限公司), whose shares are dually listed on the Stock Exchange (Stock Code: 1988) and the Shanghai Stock Exchange (Stock Code: 600016) from May 2016 to October 2023, independent non-executive director of China Oceanwide Holdings Limited (in liquidation, whose shares are listed on the Stock Exchange (Stock Code: 715)) from November 2014 to September 2023, an independent director of Zhongjin Gold Corporation, Ltd.* (中金黃金股份有限公司), whose shares are listed on the Shanghai Stock Exchange (Stock Code: 600489) from May 2014 to March 2021, an independent director of Valiant Corporation Ltd.* (中節能萬潤股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002643) from May 2020 to November 2021, an independent director of CECEP Guozhen Environmental Protection Technology Co., Ltd.* (中節能國禎環保科技股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 300388) from December 2020 to December 2021 and an independent director of Chongqing Changan Automobile Co., Ltd.* (重慶長安汽車股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 000625) from March 2016 to May 2022. He is a senior economist and certified public accountant in China. Mr. LIU obtained a Bachelor's degree in economics from Capital University of Economics and Business (formerly known as Beijing School of Economics) in July 1983 and a Master's degree in economics from Graduate School of Chinese Academy of Social Sciences in July 1986.

Ms. Cindy KONG Siu Ching (江小菁), aged 54, is the independent non-executive Director. She joined the Board in August 2023. She is a member of the audit committee, remuneration committee and nomination committee of the Company. Ms. KONG is a practicing barrister in Hong Kong. Her practice area covers civil litigations, criminal prosecution and defence. Prior to becoming a barrister in 2014, Ms. KONG was a Chief Inspector of Police in Hong Kong Police Force which predominantly responsible for complex commercial crimes and serious crime investigation. She holds a Bachelor of Social Science degree from The Chinese University of Hong Kong (1992), a Master of Business Administration from University of Western Ontario (now known as Western University) (2008), a Bachelor of Laws from Manchester Metropolitan University (2011) and a Postgraduate Certificate in Laws from The University of Hong Kong (2013).

SENIOR MANAGEMENT

Mr. WONG Stacey Martin, aged 57, joined the Group in November 2017. He is the Chief Operating Officer of the Company, Chief Executive Officer of the securities and future business and the corporate finance business of the Group. Mr. WONG is a veteran investment banker with substantial experience of fundraising in the capital markets and merger and acquisition. He is a responsible officer for Types 1, 2, 4, 6 and 9 regulated activities under the SFO for Quam Securities Limited and a responsible officer for Types 1 and 6 regulated activities under the SFO for Quam Capital Limited. Prior to joining the Company, Mr. WONG was the Chief Operating Officer and a director of CMBC International Holdings Limited. Mr. WONG was the Head of Investment Banking of Piper Jaffray Asia Limited and also headed Bear Stearns Asia Limited's corporate finance team, worked as the Head of BNP Paribas Peregrine Capital Limited's infrastructure and public utility corporate finance team, and spent ten years with Peregrine Capital Limited. Mr. WONG holds a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge, the United Kingdom.

Mr. TANG Sei Kit, aged 51, joined the Group in March 2023. He is the Chief Executive Officer of wealth management business covering the Multi Family Office, asset management, insurance brokerage, social media and finance channel. He is a responsible officer for Types 1, 4 and 9 regulated activities under the SFO for Quam Asset Management Limited and a responsible officer for Types 1, 4 and 9 regulated activities under the SFO for Quam Securities Limited. Mr. TANG started his career in professional services with Ernst & Young, and has over 20 years solid experience in the field of private banking spanning a number of multi-national banks namely BNP Paribas, Societe Generale, Vontobel and Citibank. His last position was Managing Director of BNP Paribas Wealth Management before joining Crosby Securities in January 2022 as the chief executive officer of its wealth management division. He is bringing his expertise to advance the offerings to ultra high net worth clients and family offices. Mr. TANG graduated from The University of Hong Kong with a master's degree in International and Public Affairs. He is also a Certified Public Accountant (USA). He has also completed the Stanford Executive Program from Stanford Graduate School of Business in 2025. He is the founder of the SHOUT art hub and galleries in Asia and is serving on the board of Hong Kong Anti-Cancer Society.

Ms. MAK Mei Kuen, aged 48, joined the Company in December 2023. She is the Chief Financial Officer of the Company. Ms. MAK has over 20 years of experience in auditing, financial reporting, financial management and corporate governance practices. She holds a bachelor's degree in accountancy and a master's degree in laws specialising in common law. She is a certified public accountant in Hong Kong, a fellow member of the Association of Chartered Certified Accountants, a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Chartered Institute of Management Accountants, a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (the "HKCGI"), a fellow member of The Taxation Institute of Hong Kong, and a member of The Institute of Chartered Accountants in England and Wales. Ms. MAK has completed the ESG Reporting Certification Course and the AML/CFT Certification Course organised by the HKCGI.

Profile of Directors, Senior Management, Senior Advisors and Key Executives

SENIOR ADVISORS

Mr. Richard David WINTER, aged 72, is the Senior Advisor of the Company from September 2017. He joined the Company in 2002 and was previously Deputy Chairman of the Company and Chief Executive Officer of corporate finance business of the Group. Mr. WINTER has extensive experience in the investment banking and corporate finance advisory field in Hong Kong. He was managing director of Deloitte & Touche Corporate Finance Limited and before that Standard Chartered Asia Limited. He received an Honours Degree in Commerce from Edinburgh University. Mr. WINTER is a member of the Takeovers and Mergers Panel and Takeovers Appeal Committee of the Securities and Futures Commission and a member of Listing Review Committee of the Hong Kong Exchanges and Clearing Limited. He is a senior fellow of the Hong Kong Securities and Investment Institute, a fellow of The Institute of Chartered Accountants in England and Wales, a fellow of The Hong Kong Institute of Directors, a member of the Hong Kong Institute of Certified Public Accountants, Treasurer of Outward Bound International and Chairman of its Finance Committee.

Mr. LAM Wai Hon, aged 71, is the Business Partner of the Company from January 2025. He joined the Group in January 2023 and was previously the executive Director of the Company. Mr. Lam is a responsible officer for Types 1 and 6 regulated activities under the SFO with Quam Capital Limited and a licensed representative for Types 1 and 4 regulated activities under the SFO with Quam Securities Limited.

Mr. Lam is a fellow member of The Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Arts (Honours) degree from University of Newcastle Upon Tyne in England. He has over 40 years of experience in professional accounting, merchant and investment banking, and financial services and has served in senior management roles in a number of major international banking and financial institutions.

KEY EXECUTIVES

Mr. YAN Chi Kwan, aged 49, joined the Group in May 2018. He is the Chief Investment Officer of the Company. He has over 20 years of investment experience in the financial markets of the Asia-Pacific region. Mr. YAN is a responsible officer for Types 1, 4 and 9 regulated activities under the SFO for Quam Asset Management Limited and a responsible officer for Type 1 regulated activity under the SFO for Quam Securities Limited. Prior to joining the Group, he was the Chief Investment Officer of CMBC International Holdings Limited, responsible for investment, financing and asset management. Mr. YAN has also set his footprints in other financial institutions. He was the Head of Product and Business Development in Shenwan Hongyuan Asset Management (Asia) Limited (formerly known as Shenyin Wanguo Asset Management (Asia) Limited) and Deputy Managing Director in Shenwan Hongyuan Securities (H.K.) Limited (formerly known as Shenyin Wanguo Securities (H.K.) Limited). Mr. YAN was also the managing director in a number of well-established asset management companies where he participated in investment management, research, business and product development. He holds the Doctorate degree in Arts from European Institute of Management and Technology, a Master degree in Economics and Bachelor degree in Finance from The University of Hong Kong. He is a CFA® charterholder. On personal front, Mr. YAN was a prominent speaker or lecturer in several university institutions. He conducted lectures at Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) and National Kaohsiung University of Applied Sciences (now known as National Kaohsiung University of Science and Technology).

Mr. Calvin CHIU Chun Kit, aged 54, is the Deputy Chief Executive Officer of the securities and futures businesses of the Group. He is a responsible officer for Types 1, 2, 4 and 9 regulated activities under the SFO for Quam Securities Limited. He joined the Group in 2002.

Ms. YAN Ching Man, aged 39, is the Managing Director of the securities and futures businesses of the Group. She has worked in the Group for more than 10 years and rejoined the Company in 2021. Ms. YAN has extensive experience in the brokerage industry. She is responsible for overseeing operations of the securities and futures businesses and is a responsible officer for Types 1, 2, 4 and 9 under the SFO for Quam Securities Limited.

Ms. Hortense CHEUNG Ho Sze, aged 50, is the Company Secretary of the Company. She joined the Group in 2007. Ms. CHEUNG has extensive experience in handling listed company secretarial matters and is an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, holding Chartered Secretary and Chartered Governance Professional dual designations. She has completed the ESG Reporting Certification Course organised by The Hong Kong Chartered Governance Institute.

Mr. HUI John, aged 51, joined the Group in December 2018. He is the Head of Institutional Sales of Quam Securities Limited, responsible for overseeing the Institutional Sales function. Mr. HUI has more than 25 years of experience in securities brokerage business, previously held senior positions in number of leading global investment banks and Chinese financial institutions. He is responsible officer for Types 1, 2 and 4 under the SFO for Quam Securities Limited. Prior to joining the Group, Mr. HUI was the Managing Director of Institutional Sales at China Galaxy International Financial Holdings Limited, Head of Institutional Sales in CMBC International Holdings Limited and RHB Securities Hong Kong Limited. He received a Honour Bachelor of Commerce and Finance from University of Toronto.

Mr. YIU Ding Hang, aged 62, joined the Group in June 2022. He is the Head of Compliance. Mr. YIU is qualified as a professional accountant and is a member of the Hong Kong Institute of Certified Public Accountants. He has obtained two master degrees respectively from the Hong Kong Polytechnic University and The University of Hong Kong. Mr. YIU has more than 30 years of experience in legal, compliance and company secretarial fields in the securities industry. Prior to joining the Group, he served as the Head of Legal and Compliance in several China-based investment banks and had also worked for the HKEX Group for 13 years.

Mr. Keith CHAN Chin Wang, aged 49, joined the Group in July 2018. He is the Chief of Legal and Compliance of the Group. Mr. CHAN was admitted as a solicitor of the High Court of Hong Kong Special Administrative Region in 2003. He has also obtained the qualification to practice law in Greater Bay Area in 2022. Mr. CHAN has been a practising solicitor in Hong Kong for over 20 years specialised in corporate finance, merger and acquisition and regulatory compliance. Prior to joining the Group, he was also appointed as the Company Secretary for a number of companies whose shares are listed on the Main Board and GEM of the Stock Exchange.

Mr. FOO Chi Ming, aged 59, joined the Group in September 2023. He is the Chief Operating Officer of Quam Wealth Holdings Limited. Mr. FOO has more than 25 years of experience in auditing, accounting, corporate finance, wealth management and business consulting. He graduated from the City University of Hong Kong with a bachelor of art in accountancy.

Profile of Directors, Senior Management, Senior Advisors and Key Executives

Mr. CHAN Tung Yuen, aged 55, joined the Group in May 2020. He is the Head of Corporate Finance of the Group. Mr. CHAN is responsible for the overall management and overseeing the various business segments of Quam Capital Limited. He is a responsible officer of Types 1 and 6 regulated activities, sponsor principal under the SFO of Quam Capital Limited. Mr. CHAN has more than 29 years of corporate finance experience in Hong Kong, including around 14 years of management experience as Head or Co-Head of department in different reputable financial institutions. Mr. CHAN specializes in IPO sponsorship of H-shares and red chips, financial advisory, takeover codes matters and M&A. Regarding public service, he was an honorary advisor (2019 to 2021) and a past director (2015 to 2019) of the Hong Kong Securities Association.

Mr. Philip CHOI Lai Sang, aged 63, is Head of Information Technology of the Group. He has worked in the Group for more than 10 years and rejoined the company in 2024. Mr. CHOI graduated from the University of Saskatchewan with a Bachelor of Science in Computer Science. He has more than 30 years of extensive experience in information technology industry.

The Board of Quam Plus International Financial Limited presents the annual report together with the audited financial statements of the Group for the year ended 31 December 2024 (the "Year").

PRINCIPAL ACTIVITIES

During the Year, the principal activity of the Company is investment holding and the principal activities of the subsidiaries are as follows:

a) corporate finance advisory and general advisory services;

b) fund management, discretionary portfolio management and portfolio management advisory services;

c) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing, insurance broking and wealth management services;

d) money lending services;

e) financial media services; and

f) investing and trading of various investment products.

Particulars of the principal subsidiaries of the Company as at 31 December 2024 are set out in note 47 to the financial statements.

BUSINESS REVIEW

A review of the business of the Group during the Year, a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing are set out in the section of "Chief Executive Officer's Review", "Management Discussion and Analysis" and Notes to the Consolidated Financial Statements on pages 8 to 9, pages 10 to 23 and pages 125 to 222 respectively of this annual report. In addition, details of the financial risk management of the Group are set out in note 40 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's revenue and results by business segment for the Year is set out in note 7 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the financial position of the Company and the Group as at 31 December 2024 are set out in the financial statements on pages 118 to 222.

No interim dividend was paid during the Year (2023: Nil).

The Board has resolved not to recommend the payment of a final dividend for the Year (2023: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the past financial years, which was extracted from the audited financial statements and reclassified as appropriate, is set out on pages 223 and 224 of this annual report. This summary does not form part of the financial statements.

PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements of the property and equipment and investment properties of the Group during the Year are set out in note 27 and note 23 to the financial statements respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 33 to the financial statements.

BORROWINGS AND INTEREST CAPITALISED

Borrowings repayable on demand or within one year are classified under current liabilities. Details of the borrowings are set out in note 28 to the financial statements.

SHARE AWARD SCHEME

A Share Award Scheme was adopted by the Company on 19 August 2010. The shares to be awarded under the Share Award Scheme (the "Awarded Shares") will be acquired by the trustee of the Share Award Scheme (the "Trustee") from the market out of the cash contributed by the Group and shall hold such shares until they are vested in accordance with the rules of Share Award Scheme and the trust deed. The Share Award Scheme is subject to the administration of the Board and the Trustee in accordance with the rules of Share Award Scheme and the provisions of the trust Deed. The Trustee shall not exercise the voting rights in respect of any shares held under the trust.

I)	Purpose	:	The purpose of the Share Award Scheme is to recognise and motivate the contribution of certain employees and/or consultants and to provide incentives and help the Group in retaining its existing employees or consultants and recruiting additional employees or consultants and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

II)	Participants	:	Eligible participants of the Share Award Scheme include any employee (whether full-time or part-time) of any member of the Group (including without limitation of any executive and non-executive Directors of any member of the Group), and any person or entity that provides research, development or technological support or other services to the Group, who, in the sole discretions of the Board, have contributed or may contribute to the Group.
III)	Maximum number of Awarded Shares available for allocation under the scheme	:	The total number of Awarded Shares under the Share Award Scheme must not exceed 94,798,451 shares, which representing (i) 10% of the total issued Shares as at the date of adoption of the Share Award Scheme on 19 August 2010 and (ii) 1.53% of the total issued Shares as at the date of this annual report.
IV)	Maximum entitlement of each participant	:	The maximum number of shares which may be awarded to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.
V)	The vesting period of Awarded Shares	:	The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested. Subject to the terms and conditions of the Share Award Scheme and the fulfilment of all vesting conditions to the vesting of the Awarded Shares on such selected participant, trustee shall cause the respective Awarded Shares to be transferred to such selected participant on the vesting date.
VI)	The amount payable upon acceptance of the awarded shares	:	Nil.
VII)	The basis of determining the purchase price of shares awarded	:	Not applicable as there is no purchase price under the Share Award Scheme.
VIII)	The remaining life of the scheme	:	Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for an initial term of 10 years from the date of its adoption. However, the Board has the right to renew for the Share Award Scheme up to three times and each time for another 5-year terms. The Share Award Scheme had been renewed for five years from 19 August 2020 to 18 August 2025. The Share Award Scheme should be retained until expiry of trust period or until informed by the Company.

As at 31 December 2024, a total of 51,172,002 Awarded Shares are now held by the trustee under the Shares Award Scheme trust which is available for allocation. No Awarded Share has been granted as at 31 December 2024.

SHARE OPTION SCHEME

The Company adopted an employee Share Option Scheme on 23 September 2020. A summary of the principal terms of the Share Option Scheme is given below:

I)	Purpose	:	The purpose of the Share Option Scheme is to provide incentives or rewards to eligible participants for their contribution or would-be contribution to the Group to obtain an equity interest in the Company and to attract potential candidates to serve the Group for the benefit of the development of the Group.
II)	Participants	:	Eligible participants of the Share Option Scheme include all Directors (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid), shareholders of the Company and any member of the Group, who, in the absolute opinion of the Board, have contributed or will contribute to the Company or the Group.
III)	Total number of shares available for issue under the scheme and percentage of issued share capital as at date of this annual report	:	The number of shares available for issue under the Share Option Scheme mandate limit was 619,704,922 Shares representing 10% of the total issued Shares as at the date of this annual report. The shares issuable under the Share Option Scheme that have been granted but not yet lapsed or exercised as at 31 December 2024 and as at the date of this annual report were 141,000,000 shares and 138,000,000 shares respectively. The number of shares available for issue under the Share Option Scheme was 481,704,922 shares (including the lapsed Shares) representing 7.77% of the total issued Shares as at the date of this annual report.
IV)	Maximum entitlement of each participant	:	The maximum number of shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme to each participant in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of shares in issue unless it is approved by Shareholders in general meeting of the Company, at which such participant and his close associates (or his associates if the participant is a connected person) shall abstain from voting.

Any share options propose to grant to a substantial Shareholder or an independent non-executive Director or to any of their respective associates, in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million, are subject to approval by Shareholders in general meeting of the Company.

V)	The period within which the shares must be taken up under an option	:	The period within which the options must be exercised will be specified by the Company at the time of grant. This period shall not more than 10 years from the relevant date of grant of the options.
VI)	The minimum period for which an option must be held before it can be exercised	:	The Company may specify any minimum period(s) for which an option must be held before it can be exercised at the time of grant of the options. The Share Option Scheme does not contain any such minimum period.
VII)	The amount payable upon acceptance of the option	:	HK$10.0 is payable by each eligible participant as consideration for the grant of an option on acceptance of options within 21 days from the date of offer of the options.
VIII)	The basis of determining the subscription price	:	The subscription price must be at least the higher of: (i) the closing price of share as stated in the daily quotation sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average closing prices of the shares as stated in the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of offer; and (iii) the nominal value of a share.
IX)	The remaining life of the scheme	:	The Share Option Scheme shall be valid and effective until the close of business of the Company on the date which falls 10 years after the adoption date.

Movements of the share options under the Share Option Scheme during the Year are as follows:

Grantees	Date of Grant	Number of share options							Exercise Period	Exercise Price of Options (per share)
		As at 1 January 2024	Granted during the Year	Exercised during the Year	Cancelled during the Year	Lapsed during the Year	As at 31 December 2024	Exercisable at 31 December 2024	(Note 1)	
Directors, Chief Executive and Substantial Shareholder:										
Mr. HAN	21 July 2023	12,500,000	0	0	0	0	12,500,000	3,125,000	22 July 2024 to 21 July 2033 (Notes 1 and 2)	HK$0.2
Mr. LAM	21 July 2023	25,000,000	0	0	0	0	25,000,000	6,250,000	22 July 2024 to 21 July 2033 (Notes 1 and 2)	HK$0.2
Mr. LIU Hongwei	21 July 2023	12,500,000	0	0	0	0	12,500,000	3,125,000	22 July 2024 to 21 July 2033 (Notes 1 and 2)	HK$0.2
Mr. LAM Wai Hon	21 July 2023	3,000,000	0	0	0	0	3,000,000	750,000	22 July 2024 to 21 July 2033 (Notes 1, 2 and 4)	HK$0.2
Mr. FANG Zhou	21 July 2023	3,000,000	0	0	0	0	3,000,000	750,000	22 July 2024 to 21 July 2033 (Notes 1, 2 and 5)	HK$0.2
Mr. Roy LO Wa Kei	21 July 2023	5,000,000	0	0	0	0	5,000,000	1,250,000	22 July 2024 to 21 July 2033 (Notes 1 and 3)	HK$0.2
Mr. LIU Jipeng	21 July 2023	5,000,000	0	0	0	0	5,000,000	1,250,000	22 July 2024 to 21 July 2033 (Notes 1 and 3)	HK$0.2
Employee:										
In Aggregate	21 July 2023	86,500,000	0	0	0	(11,500,000)	75,000,000	18,750,000	22 July 2024 to 21 July 2033 (Notes 1 and 2)	HK$0.2
Total:		**152,500,000**	**0**	**0**	**0**	**(11,500,000)**	**141,000,000**	**35,250,000**		

Notes:

1) The share options shall be vested and become exercisable in three tranches as set out in the table below:

Tranche	Vesting Date	Percentage of share options shall be vested
First	The first trading day after 12 months from the date of grant	25%
Second	The first trading day after 24 months from the date of grant	35%
Third	The first trading day after 36 months from the date of grant	40%

2) The vesting of 30% of each tranche of the share options to the grantees (except the independent non-executive Directors) is subject to satisfaction of performance targets to be determined by the Board. There is no performance target attached to the vesting of the remaining 70% of each tranche of the Share Options to the grantees (except the independent non-executive Directors).

3) There is no performance target attached to the share options granted to independent non-executive Directors.

4) Mr. LAM Wai Hon resigned as Director on 16 January 2025 and remains as a business partner of the Company. He is re-classified as a service provider under the new Chapter 17 of the Listing Rules since he provides services on a continuing basis to the Group in its ordinary and usual course of business which are in the interests of the long term growth of the Group.

5) Mr. FANG Zhou resigned as Director on 1 January 2025 and continued to act as a director of a subsidiary of the Company until March 2025. Accordingly, his share options was lapsed as at the date of this annual report.

6) The weighted average closing price of the Shares immediately before the dates on which the shares options were exercised is not applicable since no share options were exercised during the Year.

For the year ended 31 December 2024, options and awards to subscribe for a total of 141,000,000 Shares were granted (but not yet lapsed or exercised) under all share scheme of the Company, representing approximately 2.28% of the weighted average number of issued ordinary shares of the Company.

Save as disclosed above, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any listed securities of the Company.

SHARE PREMIUM AND RESERVES

Details of movements in the share premium and reserves of the Company and the Group during the Year are set out in the consolidated statement of changes in equity, and in note 46 to the financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for cash distribution and/or distribution in specie to Shareholders, comprising the aggregate of contributed surplus and accumulated losses of the Company, amounted to HK$1,748 million. In accordance with the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to Shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the company's assets would thereby be less than its liabilities.

CHARITABLE DONATIONS

During the Year, the total charitable donations made by the Group is HK$70,000 (2023: Nil).

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, services provided to the Group's five largest customers accounted for 27% of the total turnover, excluding investment business, for the Year and services provided to the largest customer included therein amounted to 11%. Among the five largest customers (including the largest customer), 3 of them was subsidiaries of the holding companies of Oceanwide Holdings IF (the former controlling shareholder).

Services provided from the Group's five largest suppliers accounted for 26% of the total cost of services provided for the Year and services provided from the largest supplier included therein amounted to 6%.

Save as disclosed in the consolidated financial statements and the report therein, none of the Directors or any of their associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had, at any time during the Year, a beneficial interest in any of the five largest customers and suppliers of the Group.

Directors' Report

DIRECTORS

The Directors during the Year and up to the date of this annual report are:

Executive Directors

Mr. HAN *(Co-Chairman)*
Mr. LAM *(Co-Chairman)*
Mr. LIU Hongwei
Mr. LAM Wai Hon (Resigned on 16 January 2025)

Non-executive Directors

Mr. WANG Liuqi (Appointed on 23 January 2025)
Mr. FANG Zhou (Resigned on 1 January 2025)

Independent Non-executive Directors

Mr. Roy LO Wa Kei
Mr. LIU Jipeng
Ms. Cindy KONG Siu Ching

In accordance with Bye-law 87 and pursuant to code provision B.2.2 of part 2 of Appendix C1 of the Listing Rules, Mr. HAN, Mr. LAM and Mr. Roy LO Wa Kei will retire by rotation at the forthcoming annual general meeting. They are being eligible and will offer themselves for re-election at the forthcoming annual general meeting. In accordance with Bye-law 86(2), Mr. WANG Liuqi, the newly appointed non-executive Director, will hold office until the forthcoming annual general meeting and, being eligible, has offered himself for re-election as Director at the forthcoming annual general meeting.

Mr. LAM Wai Hon resigned as executive Director on 16 January 2025 in order to devote more time to his personal activities and other business engagements while Mr. FANG Zhou resigned as non-executive Director on 1 January 2025 due to change of work arrangement.

DIRECTORS' REMUNERATION

Details of the emoluments of the Directors for the Year are set out in note 15 to the financial statements.

EMOLUMENT POLICY

The emolument policy of the Group, in general, is determined with reference to the financial position and operating results of the Company and the prevailing market condition and trends. On this basis, the emolument of the Directors is determined with reference to their individual performances, involvement in the Group's affairs, the Company's performance and profitability. For the executive Directors, their remuneration is reviewed by the Remuneration Committee. As for the independent non-executive Directors, remuneration is determined by the Board, upon the recommendation from the Remuneration Committee. A resolution will be proposed at the forthcoming annual general meeting to obtain Shareholders' authorisation for the Board to fix Directors' remuneration.

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management of the Group are presented on pages 68 to 71 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Particulars of the service contracts of the directors are as follows:

Mr. HAN has entered into a service agreement with the Company to act as executive Director for a term of three years commencing 3 February 2023, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a fixed monthly directors' fee of HK$80,000.

Mr. LAM has entered into a service agreement with the Company to act as executive Director for a term of three years commencing 1 October 2023, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a monthly salary of HK$433,334.

Mr. LIU Hongwei has entered into a service agreement with the Company to act as executive Director for a term of three years commencing 3 February 2023, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a fixed monthly directors' fee of HK$50,000.

Mr. WANG Liuqi has entered into a letter of appointment with the Company to act as non-executive Director for a term of one year commencing 23 January 2025, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a fixed monthly directors' fee of HK$30,000.

Mr. Roy LO Wa Kei has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of one year commencing 3 February 2025, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a fixed annual directors' fee of HK$250,000.

Mr. LIU Jipeng has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of one year commencing 18 December 2024, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. He is entitled to receive a fixed annual directors' fee of HK$250,000.

Ms. Cindy KONG Siu Ching has entered into a letter of appointment with the Company to act as an independent non-executive Director for a term of one year commencing 18 August 2024, renewable following the expiration of the term, and is subject to retirement by rotation and re-election in accordance with the provisions of the Bye-laws. She is entitled to receive a fixed annual directors' fee of HK$250,000.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not terminable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under "Continuing Connected Transaction" in this director's report and in note 39 to the financial statements, no Director had a material interest in any transactions, arrangements or contract of significance to the business of the Group subsisted at the end of the Year or at any time during the Year to which the Company or any of its subsidiaries was a party.

CONTRACT OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed under "Continuing Connected Transactions" in this director's report and in note 39 to the financial statements, there were no contract of significance between the Company or any of its subsidiaries and a controlling Shareholder (as defined in the Listing Rules) or any of its subsidiaries nor any contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries during the Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS' INTERESTS

As at 31 December 2024, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Long Position in the Shares and the underlying Shares

Name of Directors	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of shareholding in the Shares in issue (Note 1)
Mr. HAN	Interest of controlled corporation	4,216,809,571 (Note 2)	68.05%
	Beneficial owner	12,500,000 (Note 3)	0.20%
		4,229,309,571	68.25%
Mr. LAM	Beneficial owner	113,072,833	1.82%
	Interest of controlled corporation	4,216,809,571 (Note 2)	68.05%
	Beneficial owner	25,000,000 (Note 3)	0.40%
		4,354,882,404	70.27%
Mr. LIU Hongwei	Beneficial owner	12,500,000 (Note 3)	0.20%
Mr. LAM Wai Hon	Beneficial owner	3,000,000 (Notes 3 and 4)	0.05%
Mr. FANG Zhou	Beneficial owner	3,000,000 (Notes 3 and 5)	0.05%
Mr. Roy LO Wa Kei	Beneficial owner	5,000,000 (Note 3)	0.08%
Mr. LIU Jipeng	Beneficial owner	5,000,000 (Note 3)	0.08%

(ii) Long positions in the shares of associated corporation of the Company

(a) Quam Tonghai Holdings

Name of Directors	Capacity	Number of shares in Quam Tonghai Holdings	Approximate percentage of shareholding in Quam Tonghai Holdings (Note 6)
Mr. HAN	Beneficial owner	490	49%
Mr. LAM	Beneficial owner	510	51%

(iii) Interest in the debentures of the Company

Name of Director	Nature of interest	Amount of debenture
Mr. FANG Zhou	Personal interest	HK$5,220,000 (Note 5)

Notes:

1. The approximate percentage shown was the number of Shares the relevant Director was interested in expressed as a percentage of the total number of issued Shares as at 31 December 2024.

2. Quam Tonghai Holdings is the beneficial owner of 4,216,809,571 Shares and it is owned as to 51% by Mr. LAM and 49% by Mr. HAN, whose respective shares in Quam Tonghai Holdings are charged pursuant to a share charge dated 3 May 2022 (as supplemented by a supplemental deed dated 3 February 2023) in favour of Nautical League Limited (a company beneficially solely owned by Ms. LU Xiaoyun, the daughter of Mr. LU Zhiqiang). By virtue of the SFO, Mr. LAM and Mr. HAN are deemed to be interested in 4,216,809,571 Shares held by Quam Tonghai Holdings.

3. Details of interests in underlying shares in respect of share options granted by the Company are set out under the section headed "Share Option Scheme" of this Directors' Report.

4. Mr. LAM Wai Hon resigned as Director on 16 January 2025 and remains as a business partner of the Company.

5. Mr. FANG Zhou resigned as Director on 1 January 2025 and continued to act as a director of a subsidiary of the Company until March 2025.

6. The approximate percentage shown was the number of shares the relevant Director was interested in expressed as a percentage of the total number of issued shares of the relevant entity as at 31 December 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors or their respective associates had or were deemed under the SFO to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND OTHER PERSON'S INTERESTS

As at 31 December 2024, so far as were known to the Directors, the following persons (other than the Directors) who had interests and short positions in the shares, underlying shares and debentures of the Company as recorded in the register kept by the Company under section 336 of the SFO, or as otherwise notified to the Company, as being directly or indirectly interested or deemed to be interested in 5% or more of the shares in issue of the Company, were as follows:

Long Position in the Shares

Name of holder of Shares/ underlying Shares	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of total interests in the Shares in issue (Note 1)
Quam Tonghai Holdings	Beneficial owner	4,216,809,571 (Note 2)	68.05%
Mr. LU Zhiqiang ("Mr. LU")	Interest of controlled corporations	395,254,732 (Note 3)	6.38%
Tohigh Holdings Co., Ltd.* (通海控股有限公司)	Interest of controlled corporations	395,254,732 (Note 4)	6.38%
Oceanwide Group Co., Ltd.* (泛海集團有限公司)	Interest of controlled corporations	395,254,732 (Note 5)	6.38%
China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司)	Interest of controlled corporations	395,254,732 (Note 6)	6.38%
Oceanwide Holdings	Interest of controlled corporations	395,254,732 (Note 7)	6.38%
China Oceanwide Group Limited	Interest of controlled corporations	395,254,732 (Note 7)	6.38%
Oceanwide Holdings IF	Beneficial owner	395,254,732 (Note 7)	6.38%
Haitong Securities Co., Ltd.	Interest of controlled corporations	4,100,000,000 (Note 8)	66.16%
Haitong International Holdings Limited	Interest of controlled corporations	4,100,000,000 (Note 9)	66.16%
Haitong International Securities Group Limited	Interest of controlled corporations	4,100,000,000 (Note 10)	66.16%
Haitong International Investment Solutions Limited (now known as "Spring Progress Investment Solutions Limited")	Security interest in shares	4,100,000,000	66.16%

Notes:

1. The approximate percentage shown was the number of Shares the relevant company/person was interested in expressed as a percentage of the total number of issued Shares as at 31 December 2024.

2. Quam Tonghai Holdings is the beneficial owner of 4,216,809,571 Shares and it is owned as to 51% by Mr. LAM and 49% by Mr. HAN.

3. Mr. LU held more than one third of the voting power at general meetings of Tohigh Holdings Co., Ltd.* (通海控股有限公司). By virtue of the SFO, Mr. LU is deemed to be interested in all the Shares held by Tohigh Holdings Co., Ltd.* (通海控股有限公司).

4. Tohigh Holdings Co., Ltd.* (通海控股有限公司) held the entire issued share capital of Oceanwide Group Co., Ltd.* (泛海集團有限公司). By virtue of the SFO, Tohigh Holdings Co., Ltd.* (通海控股有限公司) is deemed to be interested in all the Shares held by Oceanwide Group Co., Ltd.* (泛海集團有限公司).

5. Oceanwide Group Co., Ltd.* (泛海集團有限公司) held 98% interest in the issued share capital of China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司). By virtue of the SFO, Oceanwide Group Co., Ltd.* (泛海集團有限公司) is deemed to be interested in all the Shares held by China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司).

6. China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司) directly and indirectly held 60.58% interest in the issued share capital of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Holdings Group Co., Ltd.* (中國泛海控股集團有限公司) is deemed to be interested in all the Shares held by Oceanwide Holdings.

   Save as disclosed in Note 6 above, 0.32% interest in the issued share capital of Oceanwide Holdings was directly and indirectly owned by Tohigh Holdings Co., Ltd.* (通海控股有限公司) (through Tohigh Property Investment Management Co., Ltd.* (通海置業投資管理有限公司), Huaxin Capital Investment Management Co., Ltd.* (華馨資本投資管理有限公司), Beijing Dongfeng Xinghuo Real Estate Co., Ltd.* (北京東風星火置業有限公司), Oceanwide Gardening Technique Engineering Co., Ltd* (泛海園藝技術工程有限公司), Beijing Oriental Oasis Sports & Leisure Co., Ltd* (北京東方綠洲體育休閒有限公司), Tohigh Investment Group Co., Ltd.* (通海投資集團有限公司) and Tohigh Equity Investment Co., Ltd (通海股權投資股份有限公司)).

7. Oceanwide Holdings IF is a wholly-owned subsidiary of China Oceanwide Group Limited, which in turn is a wholly-owned subsidiary of Oceanwide Holdings. By virtue of the SFO, China Oceanwide Group Limited and Oceanwide Holdings are deemed to be interested in 395,254,732 Shares.

8. Haitong Securities Co., Ltd held 100% interest in the issued share capital of Haitong International Holdings Limited. By virtue of the SFO, Haitong Securities Co., Ltd is deemed to be interested in all the Shares held by Haitong International Holdings Limited.

9. Haitong International Holdings Limited indirectly held 63.08% interest in the issued share capital of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Holdings Limited is deemed to be interested in all the Shares held by Haitong International Securities Group Limited.

10. Haitong International Investment Solutions Limited (now known as "Spring Progress Investment Solutions Limited") is an indirect subsidiary of Haitong International Securities Group Limited. By virtue of the SFO, Haitong International Securities Group Limited is deemed to be interested in all the Shares held by Haitong International Investment Solutions Limited.

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any other person (other than the Directors) who had interests or short positions in the shares or underlying shares of the Company which were required to be recorded in the register maintained by the Company under section 336 of the SFO.

DIRECTORS' INTEREST IN A COMPETING BUSINESS

As at 31 December 2024, none of the Directors or their respective associates was interested in any business which was considered to compete or was likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions undertaken by the Group during the Year are included in the transactions and balance set out in note 39 to the financial statements.

Pursuant to rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions set out in note 39 to the financial statements and have confirmed that these continuing connected transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Certain related party transactions as disclosed in note 39 and the transaction as disclosed in note 37 (in respect of loan to directors) to the financial statements were "continuing connected transaction" or fell within de minimis continuing connected transaction which exempted from reporting, announcement and independent shareholders' approval under the Listing Rules. The Company has complied with the disclosure requirements, where applicable, in accordance with Chapter 14A of the Listing Rules.

HLB Hodgson Impey Cheng Limited ("HLB"), the Company's auditor, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. HLB has issued an unmodified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with rule 14A.56 of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.15 OF THE LISTING RULES

Items	Transactions	Amortised cost Principal amounts	Amortised cost Net Carrying amounts (Note 1)	or	Fair value Principal amounts	Fair value Net Carrying amounts (Note 2)
The following term loans were extended by Quam Finance Limited ("Quam Finance", a direct wholly owned subsidiary of the Company) to China Oceanwide:						
1	on 31 March 2021, Quam Finance extended a term loan in an amount of HK$3 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK$3 million	HK$1 million (Note 1a)		N/A	N/A
2	on 31 March 2021, Quam Finance extended a term loan in an amount of HK$5 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK$5 million	HK$1 million (Note 1a)		N/A	N/A
3	on 31 March 2021, Quam Finance extended a term loan in an amount of HK$8 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK$8 million	HK$1 million (Note 1a)		N/A	N/A
4	on 31 March 2021, Quam Finance extended a term loan of HK$28 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK$28 million	HK$4 million (Note 1a)		N/A	N/A
5	on 21 December 2020, Quam Finance extended a term loan in the amount of HK$280 million with an interest rate of 12% per annum and with a maturity date of 31 December 2021.	HK$280 million	HK$37 million (Note 1a)		N/A	N/A
6	on 31 December 2020, Quam Finance extended a term loan of HK$156 million with an interest rate of 12% per annum and with a maturity date of 31 December 2021.	HK$156 million	HK$20 million (Note 1a)		N/A	N/A
The following term loans and margin facility were provided or extended to China Oceanwide International Investment Company Limited ("COII") or Minyun Limited ("Minyun"), indirect subsidiaries of Tohigh Holdings Co., Ltd.* (通海控股有限公司):						
1	on 3 December 2019, Quam Finance provided a term loan of HK$64.5 million to Minyun with an interest rate of 7.875% per annum and with a maturity date of 31 January 2022.	HK$64.5 million	HK$15 million (Note 1a)		N/A	N/A

Items	Transactions	Amortised cost Principal amounts	Amortised cost Net Carrying amounts (Note 1)	or	Fair value Principal amounts	Fair value Net Carrying amounts (Note 2)
2	a margin facility of HK$5 million provided by Quam Securities Limited ("Quam Securities", an indirect wholly-owned subsidiary of the Company) to Minyun pursuant to the terms of facility agreement dated 3 March 2020 at interest rate of 6% above prime rate per annum payable annually. The facility was secured by the collateral which shall be charged to or held by Quam Securities for its benefit as a first priority fixed continuing security for the payment and/or discharge to Quam Securities of all and any of the Minyun's liabilities to Quam Securities pursuant to the terms of the facility.	N/A	N/A		HK$4 million	HK$4 million (Note 2)
3	a margin facility of HK$10 million provided by Quam Securities to COII pursuant to the terms of facility agreement dated 3 March 2020 at interest rate of 3% above prime rate per annum payable by COII annually. The facility was secured by the collateral which shall be charged to or held by Quam Securities for its benefit as a first priority fixed continuing security for the payment and/or discharge to Quam Securities of all and any of the COII's liabilities to Quam Securities pursuant to the terms of the facility.	N/A	N/A		HK$9 million	HK$2 million (Note 2)
4	on 28 January 2021, Quam Finance extended a term loan in the aggregate amount of HK$678 million with an adjusted interest rate of 10.5% per annum to COII and with a maturity date of 28 January 2022.	HK$446 million	HK$67 million (Note 1a)		N/A	N/A

The following term loan and unsecured private notes were provided or extended to Oceanwide Holdings International Development III Co., Ltd. (the "Issuer/OHIDIII", a subsidiary of Oceanwide Holdings):

1	on 1 April 2021, Quam Finance extended the consolidated term loans in an aggregate amount of approximately HK$391 million with an interest rate of 12% per annum and with a maturity date of 31 March 2022.	HK$391 million	HK$61 Million (Note 1a)		N/A	N/A
2	on 26 April 2022, Quam Capital (Holdings) Limited ("Quam Capital Holdings, a direct wholly-owned subsidiary of the Company) and Quam Securities subscribed unlisted senior notes issued by the Issuer in the subscription amount of US$91 million (equivalent to approximately HK$709.8 million) with coupon interest rate of 11.8% per annum, payable semi-annually and with a maturity date of 25 April 2023.	HK$709.8 million	HK$118 million (Note 1b)		N/A	N/A

Items	Transactions	Amortised cost Principal amounts	Net Carrying amounts (Note 1)	or	Fair value Principal amounts	Net Carrying amounts (Note 2)
3	on 2 June 2021, Quam Capital Holdings subscribed an unsecured private notes issued by the Issuer in the subscription amount of US$12 million (equivalent to approximately HK$93.6 million) with coupon interest rate of 11.8% per annum and with a maturity date of 1 June 2022.	HK$93.6 million	HK$14 million (Note 1b)		N/A	N/A
4	on 30 June 2021, Quam Finance extended a term loan of HK$45 million with an interest rate of 11% per annum and with a maturity date of 30 June 2022.	HK$45 million	HK$7 million (Note 1a)		N/A	N/A
5	on 30 June 2021, Quam Finance extended a term loan of HK$27.5 million with an interest rate of 12% per annum and with a maturity date of 30 June 2022.	HK$27.5 million	HK$4 million (Note 1a)		N/A	N/A
6	on 31 December 2020, Quam Finance extended a term loan of HK$27.5 million with an interest rate of 12% per annum and with maturity date of 31 December 2021.	HK$27.5 million	HK$4 million (Note 1a)		N/A	N/A
7	on 4 March 2021, Quam Finance provided a term loan of HK$180 million with an interest rate of 12% per annum and with maturity date of 31 March 2022.	HK$180 million	HK$28 million (Note 1a)		N/A	N/A
8	on 22 March 2021, Quam Finance provided a term loan of HK$20 million with an interest rate of 12% per annum and with maturity date of 31 March 2022.	HK$20 million	HK$3 million (Note 1a)		N/A	N/A
	Total	HK$2,484.9 million	HK$385 million		HK$13 million	HK$6 million

Notes:

1a. As at 31 December 2024, approximately HK$253 million forms part of the HK$320 million total for current portion of credit loans (note 21) in the consolidated statement of financial position.

1b. As at 31 December 2024, approximately HK$132 million represents total current portion of financial assets not held for trading (note 19) in the consolidated statement of financial position.

2. As at 31 December 2024, approximately HK$6 million forms part of the HK$610 million total for current portion of loans to margin clients (note 20) in the consolidated statement of financial position.

As at 31 December 2024, all the above loans were still outstanding but expired.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 27 December 2024, the Company as borrower entered into a deed of amendment (the "Deed" and together with the original banking facility agreement entered on 11 July 2018, the deed of amendment entered on 11 July 2019, the deed of amendment and restatement entered on 10 July 2020, the deeds of amendment entered on 31 August 2021, 31 December 2021 and 28 March 2023 and the amendment and restatement deed entered on 29 December 2023, collectively, the "Revised Banking Facility Arrangement") with a licensed bank in Hong Kong as lender to extend the banking facility with the principal amount of HK$168,400,000 (the "Extended Banking Facility") to 24 December 2025.

Pursuant to the terms of Revised Banking Facility Arrangement, it requires Mr. LAM, the executive Director, to maintain controlling interest in Quam Tonghai Holdings or Quam Tonghai Holdings shall at all times directly beneficially own not less than 60% of the issued shares of the Company. As at the date of this annual report, Mr. LAM maintained controlling interest in Quam Tonghai Holdings and Quam Tonghai Holdings beneficially own approximately 68.05% of the issued Shares. Upon the breach of this condition, the Extended Banking Facility will be cancelled and all outstanding principal together with accrued interest, and all other amounts accrued under the Revised Banking Facility Arrangement, become immediately due and payable.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued Shares were held by the public as at the date of this annual report, being the latest practicable date.

CORPORATE GOVERNANCE

Details of the corporate governance practices of the Company are presented in the Corporate Governance Report which is set out on pages 96 to 108 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, as far as the Board and the management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to the long term sustainability of the environment and communities in which it operates. Details of the environmental policies and performance of the Group for the Year are presented in the Environmental, Social and Governance Report which is set out on pages 25 to 59 of this annual report.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group fully understands that employees, customers and business partners are the key to its sustainable and stable development. The Group is committed to establishing a close relationship with its employees, enhancing cooperation with its business partners and providing high-quality products and services to its customers so as to ensure the Group's sustainable development. Details of the relationship with key stakeholders of the Group for the Year are presented in the Environmental, Social and Governance Report which is set out on pages 25 to 59 of this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, every Director shall be indemnified out of the assets and profits of the Company from and against all actions, costs, charges, expenses, losses and damages which they or any of them may sustain or incur in the execution of their duties in their office.

Such provision was in force during the Year and remained in force as at the date of this annual report. The Company has taken out and maintained directors' and officers' liability insurance, which provides appropriate cover for the Directors.

UPDATES ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Changes of information of the Directors since the date of 2024 Interim Report which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules are set out below:

Name of Directors	Details of Change
Mr. LIU Hongwei	— Ceased to be an executive director and deputy chairman of the board of China Oceanwide, in December 2023
Mr. Roy LO Wa Kei	— Entered the letter of appointment with the Company for a term of one year commencing 3 February 2025
Mr. LIU Jipeng	— Entered the letter of appointment with the Company for a term of one year commencing 18 December 2024
	— Appointed as an independent director of Xiamen Changelight Co., Ltd. (廈門乾照光電股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 300102), in October 2024

Save as disclosed above, there is no other information required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

AUDITORS

The financial statement for the year ended 31 December 2022, 31 December 2023 and 31 December 2024 were audited by HLB.

KPMG resigned as auditor of the Company with effect from 21 November 2022 as the Company was unable to reach consensus with KPMG regarding the auditor's remuneration for the year ending 31 December 2022. HLB was appointed as the new auditor of the Company with effect from 21 November 2022 to fill the casual vacancy arising from the resignation of KPMG.

HLB will retire at the forthcoming annual general meeting and being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint HLB as auditor of the Company.

On behalf of the Board
Quam Plus International Financial Limited

HAN Xiaosheng
Co-Chairman

Hong Kong, 25 March 2025

Corporate Governance Report

The Company is committed to maintaining high standards of corporate governance in order to ensure better transparency and safeguard the shareholders' interest in general. The Board reviews its corporate governance practices on periodic basis in order to build the effective self-regulatory practices and implementing sound internal control systems.

CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code of Appendix C1 of the Listing Rules, throughout the year ended 31 December 2024 (the "Year") and subsequent period up to the date of this annual report, save for the deviations from code provision C.2.1 which is explained as follow:

The Co-Chairman of the Company are Mr. HAN and Mr. LAM while the Chief Executive Officer had been performed by Mr. LAM. This constitutes a deviation from code provision C.2.1 of the Corporate Governance Code which stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. However, the Board considers that in view of the current operation, structure, size and resources of the Group together with substantial experience of financial services business, extensive management experience and leadership within the Group of Mr. LAM, that it is currently the most beneficial and efficient to maintain the existing leadership structure.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. The code of conduct is also updated from time to time in order to keep abreast with the latest changes in the Listing Rules. It has also been extended to specific employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company.

In response to specific enquiry, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the Year.

BOARD OF DIRECTORS

The Board is charged with promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith and in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all Shareholders for the manner in which the affairs of the Company are managed, controlled and operated, and they devote sufficient time and attention to the Company's affairs. To the best of the Company's knowledge, there is no financial or family relationship among the Board members. All of them are free to exercise their independent judgment on all matters concerning the Company.

Mr. HAN and Mr. LAM are the Co-Chairman and Mr. LAM is also the Chief Executive Officer of the Company. Mr. HAN is the Chairman of board meetings. The primary role of the Chairman is to provide leadership for the Board and to ensure that it works effectively in discharging its responsibilities. The Chief Executive Officer is responsible for the overall management of the Group's business and recommendation of strategies to the Board. Matters reserved for the Board include formulation of the Group's long-term business strategy, consideration of dividend policy, approval of major investments, maintenance of an adequate system of internal controls and risk management. The Board is also responsible for developing, reviewing and monitoring the corporate governance policies and practices of the Company, training and continuous professional development of directors and senior management, the policies and practices of the Company on compliance with legal and regulatory requirements, and the compliance of the Model Code and compliance manual applicable to employees and directors. Daily operations and administration are delegated to management teams.

The Board currently has seven Directors which comprise:

— three executive Directors, namely Mr. HAN (the Co-Chairman), Mr. LAM (the Co-Chairman) and Mr. LIU Hongwei;

— one non-executive Director, Mr. WANG Liuqi; and

— three independent non-executive Directors, namely Mr. Roy LO Wa Kei, Mr. LIU Jipeng and Ms. Cindy KONG Siu Ching.

The brief biographical details of the above Directors are set out in the section of "Profile of Directors, Senior Management, Senior Advisors and Key Executives" of this annual report. A list containing the names of the Directors and their roles and functions can also be found on the website of the Company (www.quamplus.com) and the website of HKEXnews (www.hkexnews.hk).

The Company has three independent non-executive Directors which represents one third of the Board. They are highly experienced professionals and business people with a broad range of expertise and experience in areas covering accounting, finance and business management and legal. The Board as a whole has achieved an appropriate balance of skills and experience. They bring independent judgment to bear on issues of strategy, policy and performance, accountability, resources, key appointments and standards of conduct, and enable the Board to maintain high standards of compliance with financial and other mandatory reporting requirements and provide adequate checks and balances to safeguard the interests of Shareholders and the Company. At least one of the independent non-executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

All the non-executive Directors are appointed for a term of one year, subject to renewal and re-election as and when required under the Listing Rules and the Bye-laws.

During the Year, the Board met 5 times in person or through telephone/video conference to approve the annual results for the year ended 31 December 2023, interim results for the six months ended 30 June 2024, to approve continuing connected transaction, and to consider financial and operating performances and strategic investment decisions of the Group. 2 general meetings were held which consisted of 1 annual general meeting and 1 special general meeting.

The number of Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, Nomination Committee Meetings, Executive Committee Meetings and General Meetings attended by each Director during the Year is set out in the following table:

	Notes	Number of Meetings Attended/Eligibility of Meetings (Percentage of Attendance)					
		Board	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Executive Committee**	**General Meeting**
Number of Meetings Held	1	5	3	2	1	12	2
Executive Directors							
Mr. HAN Xiaosheng	2	5/5 (100%)	N/A	N/A	1/1 (100%)	12/12 (100%)	2/2 (100%)
Mr. Kenneth LAM Kin Hing	3	5/5 (100%)	N/A	N/A	1/1 (100%)	11/12 (92%)	1/2 (50%)
Mr. LIU Hongwei		5/5 (100%)	N/A	2/2 (100%)	N/A	12/12 (100%)	2/2 (100%)
Mr. LAM Wai Hon (Resigned on 16 January 2025)		5/5 (100%)	N/A	N/A	N/A	12/12 (100%)	2/2 (100%)
Non-executive Director							
Mr. FANG Zhou (Resigned on 1 January 2025)		5/5 (100%)	N/A	N/A	N/A	N/A	2/2 (100%)
Independent Non-executive Directors							
Mr. Roy LO Wa Kei	4	5/5 (100%)	3/3 (100%)	N/A	1/1 (100%)	N/A	2/2 (100%)
Mr. LIU Jipeng	5	5/5 (100%)	3/3 (100%)	2/2 (100%)	1/1 (100%)	N/A	2/2 (100%)
Ms. Cindy KONG Siu Ching		5/5 (100%)	3/3 (100%)	2/2 (100%)	1/1 (100%)	N/A	2/2 (100%)

Notes:

1. Excluding written resolutions in lieu of meeting passed pursuant to Bye-laws during the Year.

2. Chairperson of the Nomination Committee

3. Chairperson of the Executive Committee

4. Chairperson of the Audit Committee

5. Chairperson of the Remuneration Committee

Each director is aware that he/she should give sufficient time and attention to the affairs of the Company. Upon reviewing (a) the directorships and major commitments of each Director; and (b) the attendance rate of each Director on board meetings and committee meetings as well as general meetings, the Board is satisfied that all existing Directors have spent sufficient time in performing their responsibilities during the Year.

The Company has received, from each independent non-executive Director, a written confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. On this basis, the Company considers all independent non-executive Directors to be independent. The independent non-executive Directors had been expressly identified in all corporate communications of the Company that disclose the names of Directors.

Mr. WANG Liuqi has been appointed as non-executive director on 23 January 2025. He had obtained the legal advice referred to under rule 3.09D of the Listing Rules on 21 January 2025. He confirmed that he understood the obligations as a director of the Company.

BOARD PROCESS AND ACCESS TO INFORMATION

Arrangements are in place to allow all Directors the opportunity to include matters for discussion in the agenda of each Board meeting. At least fourteen days' notice of all Board meetings is given to all Directors. The agenda and board materials are sent to all Directors at least three days in advance of every Board meeting to facilitate informed discussion and decision-making. The Board have separate and independent access to the Company's senior management for information and making enquires if necessary. Senior management will be invited to attend the Board meeting, when necessary, to provide information and explanation to facilitate the decision-making process.

If a Director has conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution. That Director will abstain from voting on the relevant board resolution in which he/she or any of his/her associates has a material interest and he/she shall not be counted in the quorum present at such Board meeting. Independent non-executive Directors, who, and whose close associates have no material interest in the transaction, are present at the board meeting.

All Directors have recourse to external legal counsel and other professionals for independent advice at the Group's expense upon their request.

The Company Secretary assists the Chairman in preparing the agenda for the meeting and ensures that all applicable rules and regulations regarding the meetings are followed.

The proceedings of the Board at its meetings are generally conducted by the Chairman who ensures that sufficient time is allocated for discussion and consideration of each item on the agenda and also equal opportunities are being given to the Directors to speak, express their views and share their concerns. It is satisfied that the independent views and input are available to the Board during the year 2024.

The Company Secretary keeps minutes of each meeting. Draft minutes are sent to all Directors within a reasonable time for their comment and final versions of the minutes are available for inspection by all Directors at any time.

Any new director appointed by the Board during the year either to fill a casual vacancy or as an addition to the Board shall be required to be offered for re-election at the first annual general meeting after the appointment pursuant to the Bye-laws. All Directors are subject to retirement by rotation and may offer themselves for re-election at the annual general meeting. Therefore, no Director has an effective term of appointment longer than three years.

At the annual general meeting of the Company held on 21 June 2024, Mr. HAN and Mr. LIU Hongwei were re-elected as executive Directors, and Mr. LIU Jipeng and Ms. Cindy KONG Siu Ching were re-elected as independent non-executive Directors.

In order to allow the newly appointed Directors to understand the responsibilities under the relevant regulatory requirements, the operation and business of the Company, the Company will provide an orientation package including key legal requirements, the Memorandum of Association and Bye-laws and information of the Company to and arrange a tailor-made induction for the newly appointed directors.

The Board is continually updated on the Group's business and regulatory environments in which it operates and other changes affecting the Group. The Company has provided the Board with monthly updates of the Group's management information such as performance and key operational highlights to enable the Directors to discharge their duties.

The Company has arranged insurance cover for all Directors in respect of any legal action against the Directors. The insurance coverage is reviewed at least annually for ensuring that the Directors and officers are adequately protected against potential legal liabilities.

BOARD COMMITTEES

The Company has established the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee can be found on the website of the Company (www.quamplus.com) and the website of HKEXnews (www.hkexnews.hk).

Audit Committee

The Audit Committee has been established to assist the Board in reviewing the financial information of the Company, maintaining the relationship with the external auditor and overseeing the financial reporting system, risk management and internal control procedures of the Company.

It currently comprises three independent non-executive Directors, namely Mr. Roy LO Wa Kei (the chairman), Mr. LIU Jipeng and Ms. Cindy KONG Siu Ching. No member of the Audit Committee was a former partner of the existing external auditor of the Company.

The major role and authorities of the Audit Committee are summarised below:

i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and review and monitor their independence and objectivity as well as the effectiveness of the audit process;

ii) to approve the remuneration and terms of engagement of external auditors, maintain appropriate relationship between the Group and the external auditors and develop policy on the engagement of the external auditors to supply non-audit services;

iii) to ensure the integrity of the interim and annual consolidated financial statements and any significant financial reporting judgments contained in them; and review the external auditors' work, including management letter and management's response; and

iv) to review the Company's financial controls, internal controls and risk management systems.

During the Year, three Audit Committee meetings were held. The Chief Operating Officer, the Chief Financial Officer, the Head of Internal Audit, the Chief of Legal and Compliance and other key executives of the Company were also invited to participate in the meetings. The Audit Committee members also met privately with the external auditor during the Year.

During the Year, the Audit Committee has discharged its responsibilities by considering and reviewing the following:

i) the financial statements for the year ended 31 December 2023 and for the six months ended 30 June 2024;

ii) the audit fees, the audit plan and the nature, scope and process of the external audit;

iii) the continuing connected transactions of the Group for the year ended 31 December 2023;

iv) the recommendation to the Board on the re-appointment of external auditor;

v) the time commitment of the members;

vi) the risk management and internal control systems of the Company;

vii) the internal audit reports, the major findings and recommendations from internal audit; and

viii) the adequacy of resources, qualifications and experience of staff, training programmes and budget of the accounting, internal audit and financial reporting functions as well as environmental, social and governance performance and reporting.

Remuneration Committee

The Remuneration Committee has been established and empowered by the Board to determine and review the remuneration packages of individual executive Directors and senior management, including salaries, bonuses, share options and benefits in kind.

It currently comprises one executive Director, namely Mr. LIU Hongwei, and two independent non-executive Directors, namely Mr. LIU Jipeng (the chairman), and Ms. Cindy KONG Siu Ching.

The major roles and authorities of the Remuneration Committee are summarised below:

i) to review and recommend to the Board on the Group's remuneration policy and strategy;

ii) to review and approve the proposals for remuneration of the executive Directors, senior management and employees of the Group; and

iii) to review and approve the compensation arrangement relating to the dismissal or removal of directors.

During the Year, two Remuneration Committee meetings were held. The Remuneration Committee has discharged its responsibilities by considering and reviewing the following:

i) the proposals for remuneration of senior management;

ii) the discretionary bonus for Director and senior management;

iii) the time commitment of the members; and

iv) the performance targets for vesting of share options.

The basis for determining the emolument payable to directors and senior management are with reference to the prevailing market condition, the financial performance of the Company, time commitment and responsibilities and comparable market statistics. Staff remuneration is determined by the Group's management by reference to the individual staff's qualifications, performance and prevailing market conditions. No Director is involved in deciding his/her own remuneration.

Nomination Committee

The Nomination Committee has been established to assist the Board in reviewing the Board composition, making recommendations to the Board on the appointment or reappointment of Directors and assessing the independence of independent non-executive Directors.

It currently comprises two executive Directors, namely Mr. HAN (the chairman) and Mr. LAM, and three independent non-executive Directors, namely Mr. Roy LO Wa Kei, Mr. LIU Jipeng and Ms. Cindy KONG Siu Ching.

The major roles and authorities of the Nomination Committee are summarised below:

i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy;

ii) to identify individuals suitably qualified to become members of the Board and select or make recommendation to the Board on the selection of individuals to be nominated as directorship;

iii) to assess the independence of independent non-executive Directors having regard to the criteria under the Listing Rules; and

iv) to make recommendation to the Board on the appointment or re-appointment of directors and succession planning for directors.

During the Year, one Nomination Committee meeting was held. The Nomination Committee has discharged its responsibilities by considering and reviewing the following:

i) the structure and composition (including the skills, knowledge and experience) of the Board;

ii) the effectiveness of the board diversity policy;

iii) the time commitment of the members;

iv) the nomination policy;

v) the re-election of directors at the annual general meeting; and

vi) the independence of independent non-executive Directors.

The Group has adopted the nomination policy. Each proposed new appointment or re-election of a director will be assessed and/or considered against the criteria and process set out in the nomination policy, the board diversity policy and the corporate strategy of the Company.

Any new director appointed by the Board during the year either to fill a casual vacancy or as an addition to the Board shall be required to be offered for re-election at the first annual general meeting after the appointment pursuant to the Bye-laws.

Shareholders may propose a person for election as a Director at the general meeting of the Company pursuant to the Bye-laws. The procedures for such proposal can be found on the website of the Company (www.quamplus.com).

Executive Committee

The Executive Committee has been established which oversees the implementation of group business strategy, oversees the business operations and performance, examines major investments and monitors the management performance. It also identifies and manages the market risk, credit risk, liquidity risk, operational risk, legal risk and regulatory risk of the Group, devises the Group's risk management strategy and strengthens the Group's system of risk management. It currently comprises all the executive Directors, namely Mr. HAN (the deputy chairman), Mr. LAM (the chairman) and Mr. LIU Hongwei. In order to sustain the long-term business development of the Company, meetings are usually held once every month.

The senior management and key executives, namely the Chief Operating Officer, the Chief Financial Officer, the Chief Investment Officer, the Chief of Legal and Compliance are invited to participate actively in the meetings. Minutes of the Executive Committee Meetings had also been sent to all the members of the Board within a reasonable time for review.

BOARD DIVERSITY

In February 2014, the Board has adopted a board diversity policy, which aims to set out the approach to achieve diversity on the Board. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will be based on meritocracy while taking into account of diversity. Selection of candidates will be based on a range of diversity criteria, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates are likely to bring to the Board. The board diversity policy, as appropriate, will be reviewed on periodic basis to ensure its continuing effectiveness.

As a whole, the Board is diverse in terms of gender, education background, professional background and business experience. There are a balanced mix of knowledge and skills, including overall business management, financial, legal, accounting and academia. Their age, gender and length of service with the Company can be found in the section of "Profile of Directors, Senior Management, Senior Advisors and Key Executives" of this annual report. The existing Board comprises seven Directors, six are male and one is female, accordingly, the gender diversity is attained.

As at 31 December 2024, the Group has approximately 57% of the Company's workforce (including two executive directors and the senior management) is male and approximately 43% is female (including the senior management). The senior management comprised three male members and one female member. The Board will strive to maintain gender diversity when recruiting and selecting senior management and other personnel with reference to the Group's operation but ultimate decision will still be based on merits and contribution that they will bring to the business development of the Group.

CONTINUING PROFESSIONAL DEVELOPMENT

Pursuant to the Corporate Governance Code, all Directors and company secretary of the Company (the "Company Secretary") should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contributions to the Board are made on a well-informed basis.

During the Year, all the existing and then Directors had complied with the code provision in relation to continuous professional development. Directors (namely, Mr. HAN, Mr. LAM, Mr. LIU Hongwei, Mr. LAM Wai Hon, Mr. FANG Zhou, Mr. Roy LO Wa Kei, Mr. LIU Jipeng and Ms. Cindy KONG Siu Ching) have involved reading materials and updates relevant to the regulatory changes, director's duties and responsibilities and also attended a webinar arranged by external legal advisor on anti-corruption.

During the Year, the Company Secretary confirmed that she has undertaken no less than 15 hours of relevant professional training.

EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT

Details of the emoluments of the Directors for the Year are set out in note 15 to the financial statements.

The remuneration (included salaries, discretionary bonus and performance bonus) of the four members of senior management for the Year by band is set out below:

Remuneration Bands	Number of Senior Management
Below HK$5,000,000	3
Above HK$5,000,000	1

AUDITOR'S REMUNERATION

During the Year, the Group has engaged the following audit and non-audit services provided by the external auditor (i.e. HLB Hodgson Impey Cheng Limited ("HLB")):

Type of Services	HK$'000
Audit fee for the Group	
— Current year	2,450
Non-audit services in respect of the reporting in compliance with notifiable transactions and continuing connected transactions under Listing Rules	30
TOTAL	2,480

The Audit Committee will recommend the appointment of HLB for assurance service for the financial year ending 31 December 2025 at a fee to be agreed.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges that they are responsible for overseeing the preparation of the consolidated financial statements which give a true and fair view of the financial position of the Company and of the Group as at 31 December 2024 and of the Group's financial performance and cash flow for the year ended 31 December 2024 in accordance with Hong Kong Financial Reporting Standards and the applicable disclosure provisions of the Listing Rules and for ensuring that appropriate accounting policies are selected and applied consistently.

HLB, the external auditor of the Company, stated their reporting responsibilities in the Independent Auditor's Report which is set out on pages 109 to 117 of this annual report.

The financial statements are prepared on a going concern basis. The Board confirms that, to the best of their knowledge, they are not aware of any material events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

DIVIDEND POLICY

The Board adopted a dividend policy in January 2019.

The declaration of dividends by the Company is subject to any restrictions under the Company Act 1981 of Bermuda, the Listing Rules, Bye-laws and any applicable laws, rules and regulations. Distribution will usually be considered annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appear to the Board to be justified by the position of the Company.

The declaration of future dividends will be subject to the decision by the Board and will depend on, among other things, the operation and financial performance, liquidity conditions, capital requirements and future funding needs, contractual restrictions, availability of reserves and the prevailing economic climate or any other factors that the Directors may consider relevant.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges the responsibility for establishing and maintaining an adequate system of internal control and risk management. The internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority, which is designed to protect the Group's operations and its clients from financial loss arising from theft, fraud, and other dishonest acts, professional misconduct or omissions.

The Group has well established risk management mechanism. Each business departments has the primary responsibility of managing its business risk, and serves as the first line of defence for the risk management and internal control systems. The middle and back office departments, which perform their management functions independently from the business units, particularly Risk Management Department and Legal and Compliance Department, form the second line of defence for the risk management and internal control systems. Charged with the major duty of independent oversight of risks, the Legal and Compliance Department is responsible for managing legal and compliance risks, whereas the Risk Management Department is tasked with management of the overall risk governance, credit risk, market risk, liquidity and funding risk, and operational risk. The Internal Audit Department of the Company serves as the third line of defence to provide independent review and assurance of the Group's internal control effectiveness by adoption of risk-based approach.

During the Year, the Executive Committee continued to oversee the internal control and risk management systems of the Group on an ongoing basis, and had reviewed the particular internal controls and governance issues of the Group at each Executive Committee meeting with the assistance of the Chief Operating Officer, Chief Financial Officer and Head of Legal and Compliance.

During the Year, the internal audit function develops its annual audit plan with a risk-based approach that covers the Group's major business activities and supporting functions' operations, procedures, as well as its IT environment. The annual audit plan is approved by the Audit Committee at the beginning of each year. The result of each audit will be reported to the Audit Committee. Moreover, special reviews will be conducted on specific areas of concern identified by the Audit Committee or the senior management.

The Board, through the Audit Committee, has also reviewed the adequacy of resources, qualifications and experience of staff, training programmes and budget of the Company's accounting, internal audit and financial reporting function, as well as those relating to the Company's ESG performance and reporting during the Year. The review will be conducted annually in accordance with the requirements of the Corporate Governance Code.

The Company is aware of its disclosure obligations under the Listing Rules and the inside information provisions under the SFO and has put in place the proper procedure to ensure that any perceived inside information would be announced to the investing public on a timely basis.

The Board reviews the effectiveness of the Group's risk management and internal control systems on an ongoing basis. Through the structure and measures mentioned above, the Board considered that systems and procedures of the internal control and risk management of the Group were effective and adequate during the Year.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with the shareholders, including institutional investors, is crucial. The Company manages investor relations systematically as a key part of its operations and continues to promote and enhance investor relations and communications with the investors.

The Company maintains a company website at www.quamplus.com. It is a channel of the Company to communicate with the investing public with our latest corporate development. All our corporate communications, such as statutory announcement, circular, annual report and interim report etc. are available on the website. During the Year, unless otherwise required by the Listing Rules or applicable laws and regulations, the Company delivered all corporate communications to Shareholders electronically. Printed copies were provided upon request by Shareholders. Shareholders and investors may also email their enquiries to the Company's email address: ir@quamgroup.com. Enquiries will be promptly addressed by the appropriate Board Committees or the Board, if necessary. The Company has established a shareholders' communication policy, which can be found on the website of the Company (www.quamplus.com). Having considered the multiple channels of communication available, it is satisfied that the shareholders communication policy has been properly implemented during the Year and is effective.

The Company also endeavours to maintain an ongoing dialogue with the Shareholders and in particular, through annual general meeting and special general meeting. The last annual general meeting of the Company was held on 21 June 2024 at Artyzen Club, 401A, 4/F Shun Tak Centre (near China Merchants Tower), 200 Connaught Road Central, Hong Kong. At the meeting, the ordinary business of adopting the audited financial statements for the year ended 31 December 2023, the re-election of Directors, the re-appointment of auditor and the authorisation of the Directors to fix their remuneration were approved. Ordinary resolutions providing Directors with general mandates to repurchase and allot and issue shares of the Company subject to the relevant limits under the Listing Rules were also approved. Mr. HAN (Co-Chairman and chairman of Nomination Committee), Mr. LAM (Co-Chairman), Mr. LIU Hongwei, Mr. LAM Wai Hon (the then director), Mr. FANG Zhou (the then director), Mr. Roy LO Wa Kei (chairman of Audit Committee), Mr. LIU Jipeng (chairman of Remuneration Committee), Ms. Cindy KONG Siu Ching and representative of HLB (the external auditor) were present and available to answer questions at the meeting.

The forthcoming annual general meeting of the Company will be scheduled in June 2025. Details of the meeting and the necessary information on issues to be considered in the meeting will be set out in the circular and made available to the shareholders of the Company in due course.

CONSTITUTIONAL DOCUMENTS

There was no change in the constitutional documents of the Company during the Year.

The memorandum of association and Bye-laws are available on the website of the Company (www.quamplus.com) and the website of HKEXnews (www.hkexnews.hk).

SHAREHOLDERS' RIGHTS

Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may request the Board to convene a special general meeting of the Company. The purposes of convening the meeting must be stated in the relevant requisition, signed by all the shareholders concerned in one or more documents in like form and deposited at the Company's registered office and principal place of business in Hong Kong.

Shareholder(s) can also submit a written requisition to move a resolution at a general meeting pursuant to Section 79 to 80 of the Bermuda Companies Act if they (a) represent not less than one-twentieth of the total voting rights of those shareholders having the right to vote at a general meeting; or (b) are not less than one hundred shareholders.

The written requisition must state the resolution, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the general meeting and deposited at the Company's registered office and principal place of business in Hong Kong.

The written requisition must be signed by all the shareholders concerned in one or more documents in like form and deposited at the Company's registered office and principal place of business in Hong Kong for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution, and not less than one week before the meeting in the case of any other requisition. A sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement given by the requisitionists to all shareholders in accordance with the requirements under the applicable laws and rules should also be accompanied.

CONCLUSION

The Company believes that good corporate governance practices raise the confidence of investors towards the Company. The Company will keep its ongoing effort to enhance the corporate governance practices in order to meet the changing circumstances.

TO THE SHAREHOLDERS OF QUAM PLUS INTERNATIONAL FINANCIAL LIMITED
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Quam Plus International Financial Limited ("the Company") and its subsidiaries ("the Group") set out on pages 118 to 222, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

<table>
<tr><td colspan="2">Assessment of the fair value of level 2 and 3 financial instruments</td></tr>
<tr><td colspan="2">Refer to note 41 to the consolidated financial statements and notes 2.15 and 2.21 of the accounting policies.</td></tr>
<tr><td>The Key Audit Matter</td><td>How our audit considered the key matter</td></tr>
<tr><td>As at 31 December 2024, the fair value of the Group's financial assets carried at fair value represented approximately 29.8% of its total assets. Approximately HK$610,225,000 and HK$456,159,000 were classified under the fair value hierarchy as level 2 and 3 financial instruments respectively.

The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require judgement and assumptions. With different valuation techniques and assumptions applied, the valuation results can vary significantly.

Some of the inputs used in the valuation models are obtained from readily available data for liquid markets. Where such observable data is not available, as in the case of level 3 financial instruments which are generally illiquid in nature, estimates need to be developed which can involve significant management judgement and assumptions.</td><td>Our audit procedures for assessing the fair value of level 2 and 3 financial instruments included the following:

• assessing the design, and implementation of key internal controls related to the valuation of level 2 and 3 financial instruments;

• obtaining, enquiring and evaluating investment agreements for level 2 and level 3 financial instruments at selection basis to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments;

• assessing the reasonableness of the fair value of selected level 2 financial instruments by assessing fair value of underlying collateral or involving auditors' valuation specialists to perform review on underlying valuation inputs, assumptions and parameters;</td></tr>
</table>

KEY AUDIT MATTERS (CONTINUED)

<table>
<tr><th colspan="2">Assessment of the fair value of level 2 and 3 financial instruments (Continued)</th></tr>
<tr><td colspan="2">Refer to note 41 to the consolidated financial statements and notes 2.15 and 2.21 of the accounting policies. (Continued)</td></tr>
<tr><th>The Key Audit Matter</th><th>How our audit considered the key matter</th></tr>
<tr><td>As at 31 December 2024, approximately 48.9% and 36.6% of financial assets measured at fair value were categorised within level 2 and level 3 respectively. Due to the significance of financial instruments measured at fair value, we identified assessing the fair value of level 2 and 3 financial instruments as a key audit matter because of the degree of complexity and uncertainty involved in valuing certain financial instruments and because of the significant degree of judgement and assumptions exercised by management in determining the inputs used in the valuation models.</td><td>• for valuations which used significant unobservable inputs of level 3 financial instruments, such as unlisted equity securities and private equity fund, we involved our appointed valuation specialists in assessing the models used, reviewing and re-performing independent valuations, analysing the sensitivities of valuation results to key inputs and assumptions with reference to the requirements of the prevailing accounting standard and evaluating whether the assumptions are appropriate by comparing with publicly available market data, testing inputs to the fair value calculations;

• comparing the fair values of those investment funds where the valuation is referenced to the funds' net asset value with the net asset value reports provided by fund managers, obtaining a sample of the most recent audited financial statements of the funds, and evaluating the historical accuracy of the net asset values and the fair value of the underlying investments;

• evaluating the competence, capabilities and objectivity of the external valuation specialist; and

• evaluating the reasonableness of the disclosures in the consolidated financial statements with reference to the requirements of the prevailing accounting standards.</td></tr>
</table>

KEY AUDIT MATTERS (CONTINUED)

Expected credit loss allowance of financial assets measured at amortised cost	
Refer to note 40 and 43 to the consolidated financial statements and notes 2.15 the accounting policies.	
The Key Audit Matter	**How the matter considered in our audit**
As at 31 December 2024, the Group's financial instruments measured at amortised cost, net of expected credit loss ("ECL") allowance, amounted to approximately HK$1,978,448,000, represented 47.2% of the Group's total assets. Total ECL allowance was HK$5,293,536,000 as at 31 December 2024. The Group applied the expected credit loss model to assess ECL allowances of financial instruments measured at amortised cost in accordance with HKFRS 9, Financial Instruments. The Group had engaged an external specialist to assess ECL allowances of these financial assets. The management exercised significant judgements and estimation in its assessment of ECL allowance of financial instruments measured at amortised cost. The determination of impairment allowance using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, determining whether the credit risk has increased significantly and credit impairment events have occurred, estimates of probability of default (PD), loss given default (LGD), exposures at default (EAD), adjustments for forward-looking information, discounts rates and other adjustment factors. Significant judgment is involved in the selection of the parameters and the application of the assumptions.	Our audit procedures in respect to the ECL allowance for financial instruments measured at amortised cost included the following: • understanding and assessing the design, and implementation of key internal controls of financial reporting over the approval, recording, monitoring and regular evaluation of financial instruments measured at amortised cost and the calculation of ECL allowance; • involving auditors' valuation specialists in assessing the Group's ECL model in determining ECL allowances, including assessing the appropriateness of the methodology applied with reference to the prevailing accounting standard and appropriateness of the key parameters and assumptions used by comparing to market information and considering the possibility of management bias in the determination of key assumptions adopted; • evaluating the competence, capabilities and objectivity of the external valuation specialist;

KEY AUDIT MATTERS (CONTINUED)

Expected credit loss allowance of financial assets measured at amortised cost (Continued)	
Refer to note 40 and 43 to the consolidated financial statements and notes 2.15 the accounting policies. (Continued)	
The Key Audit Matter	**How the matter considered in our audit**
In particular, the determination of the probability of default is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The ECL are derived from estimates including the historical losses, historical overdue data and other adjustment factors. Management also exercises judgement in determining the quantum of LGD based on a range of factors. These include available remedies for recovery, the financial situation of the borrowers or investees, the recoverable number of collaterals, the seniority of the claims and the existence and cooperativeness of other creditors. The enforceability, timing and means of realisation of collaterals have an impact on the recoverable amount of collaterals and therefore the amount of ECL allowances as at the end of the reporting period. We identified ECL allowance of financial instruments measured at amortised cost as a key audit matter due to the significance of allowance for ECL at amortised cost, inherent uncertainty and management judgement involved, and significance to the financial results and capital of the Group.	• for financial instruments measured at amortised cost that are with related parties as the counterparty, involving auditors' valuation specialists in assessing the reasonableness of the ECL allowances calculated by the external specialist by assessing the reliability and appropriateness of the ECL model and the reasonableness of key parameters used in the model, including: PD, LGD, EAD, discount rate, forward-looking adjustments, and evaluated the rationality of the key management judgements on those key parameters by comparing to market information and considering the possibility of management bias in the determination of key assumptions adopted and with reference to the prevailing accounting standard; • assessing the accuracy of input data of key parameters used in the ECL models by comparing the internal data on a sample basis, with underlying documents for financial instruments measured at amortised cost and comparing external data on a sample basis with publicly available information; • for key parameters involving judgement, critically assessing input parameters by seeking evidence from independent sources. As part of these procedures, we challenged the reasons for modifications, if any, to how the estimates and input parameters are derived and considered the consistency of judgement. We compared the economic factors, on a sample basis, used in the models with market information to assess whether they were aligned with market and economic development; we also compared externally available data to the list of litigations considered by the external specialist to assess the appropriateness of the LGD for balances with those related parties;

KEY AUDIT MATTERS (CONTINUED)

Expected credit loss allowance of financial assets measured at amortised cost (Continued)	
Refer to note 40 and 43 to the consolidated financial statements and notes 2.15 the accounting policies. (Continued)	
The Key Audit Matter	**How the matter considered in our audit**
	• analysing the borrowers' financial and non-financial information, and other available information, and evaluating the reasonableness of management's judgement on staging, including whether credit risk has increased significantly since initial recognition and whether credit impairment events have occurred by reviewing the credit files, interviewing management, independently searching for publicly available information and exercising professional judgement; • evaluating the lifetime credit losses for financial instruments measured at amortised cost that are credit-impaired by evaluating the management's assessment of cash flows expected to be recovered and challenging the viability of the Group's expected recovery; • checking, on a sample basis, the mathematical accuracy of the Group's calculation of the ECL allowances; and • evaluating the reasonableness of the disclosures on ECL allowance with reference to the requirements of the prevailing accounting standard.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion, solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The engagement director on the audit resulting in this independent auditors' report is Shek Lui.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Shek Lui
Practicing Certificate Number: P05895

Hong Kong, 25 March 2025

Consolidated Statement of Profit or Loss

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Fee and commission income	5	89,909	130,075
Interest income			
— Calculated using the effective interest method	5	93,512	318,502
— Calculated using other method	5	111,322	115,461
Net investment income/(loss)	5	118,808	(218,384)
Total revenue	5	413,551	345,654
Other (loss)/income, net	6	(177,350)	159,880
Direct costs		(73,421)	(93,739)
Staff costs	9	(159,477)	(173,833)
Depreciation and amortisation	10	(19,594)	(31,859)
Gain/(loss) on fair value change of investment properties		8,580	(42,120)
Expected credit loss ("ECL") net reversal		21,247	61,954
Finance costs			
— Interest on borrowings	8	(50,017)	(46,175)
— Interest on lease liabilities	8	(2,371)	(3,198)
Other operating expenses	11	(51,301)	(57,999)
Share of results of associates, net		24,104	(694)
(Loss)/profit before tax	10	(66,049)	117,871
Tax (expense)/credit, net	12	(7,318)	1,666
Net (loss)/profit attributable to equity holders of the Company		(73,367)	119,537
(Loss)/earnings per share for net (loss)/profit attributable to equity holders of the Company		HK cent(s)	HK cent(s)
— Basic and diluted	13	(1.2)	1.9

The notes on pages 125 to 222 form part of these financial statements. Details of dividends payable to equity holders of the Company attributable to the (loss)/profit for the year are set out in note 14.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Net (loss)/profit attributable to equity holders of the Company	**(73,367)**	119,537
Other comprehensive loss including reclassification adjustments		
Item that may be reclassified subsequently to profit or loss		
— Exchange loss on translation of financial statements of foreign operations	**(1,584)**	(5,424)
Items that will not be reclassified subsequently to profit or loss		
— Capital distribution from investment measured at fair value through other comprehensive income	**300**	—
— Change in fair value of investment measured at fair value through other comprehensive income (note 19(a))	**(828)**	—
Other comprehensive loss including reclassification adjustments and net of tax	**(2,112)**	(5,424)
Total comprehensive (loss)/income attributable to equity holders of the Company	**(75,479)**	114,113

The notes on pages 125 to 222 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	As at 31 December 2024			As at 31 December 2023		
		Current HK$'000	Non-current HK$'000	Total HK$'000	Current HK$'000	Non-current HK$'000	Total HK$'000
ASSETS							
Cash and cash equivalents	16(a)	**156,675**	**—**	**156,675**	122,380	—	122,380
Bank balances held on behalf of clients	17	**1,025,136**	**—**	**1,025,136**	823,120	—	823,120
Pledged bank deposits	16(b)	**—**	**22,700**	**22,700**	—	—	—
Financial assets held for trading	18	**601,024**	**32,082**	**633,106**	566,351	38,190	604,541
Financial assets not held for trading	19	**132,248**	**3,382**	**135,630**	135,586	4,210	139,796
Loans to margin clients	20	**610,217**	**—**	**610,217**	547,986	—	547,986
Credit loans	21	**320,459**	**—**	**320,459**	422,182	—	422,182
Accounts receivable	22	**261,174**	**—**	**261,174**	302,272	—	302,272
Prepayments, deposits and other receivables		**49,231**	**—**	**49,231**	48,920	—	48,920
Investment properties	23	**—**	**851,760**	**851,760**	—	913,380	913,380
Interest in an associate	24	**—**	**—**	**—**	—	1,180	1,180
Goodwill and other intangible assets	25	**—**	**17,989**	**17,989**	—	17,000	17,000
Other assets	26	**—**	**15,540**	**15,540**	—	21,106	21,106
Property and equipment	27	**—**	**69,161**	**69,161**	—	85,497	85,497
Tax recoverables		**6,823**	**—**	**6,823**	—	—	—
Deferred tax assets	32	**—**	**13,675**	**13,675**	—	14,652	14,652
TOTAL ASSETS		**3,162,987**	**1,026,289**	**4,189,276**	2,968,797	1,095,215	4,064,012

	Notes	As at 31 December 2024 Current HK$'000	Non-current HK$'000	Total HK$'000	As at 31 December 2023 Current HK$'000	Non-current HK$'000	Total HK$'000
LIABILITIES AND EQUITY							
Liabilities							
Bank and other borrowings	28	**491,350**	**176,934**	**668,284**	674,007	—	674,007
Accounts payable	29	**1,220,571**	**—**	**1,220,571**	1,076,880	—	1,076,880
Contract liabilities	30	**8,258**	**—**	**8,258**	4,620	—	4,620
Lease liabilities	31	**12,054**	**37,662**	**49,716**	12,070	49,445	61,515
Accruals and other payables		**246,424**	**—**	**246,424**	184,834	—	184,834
Tax payables		**—**	**—**	**—**	518	—	518
Deferred tax liabilities	32	**—**	**2,664**	**2,664**	—	223	223
TOTAL LIABILITIES		**1,978,657**	**217,260**	**2,195,917**	1,952,929	49,668	2,002,597
Equity							
Share capital	33			**20,657**			20,657
Reserves				**1,972,702**			2,040,758
TOTAL EQUITY				**1,993,359**			2,061,415
TOTAL LIABILITIES AND EQUITY				**4,189,276**			4,064,012
Net current assets				***1,184,330***			*1,015,868*

Approved and authorised for issue by the Board on 25 March 2025.

On behalf of the Board

HAN Xiaosheng
Director

Kenneth LAM Kin Hing
Director

The notes on pages 125 to 222 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
(Loss)/profit before tax		**(66,049)**	117,871
Adjustments for:			
Amortisation of other intangible assets	10	**1,460**	1,270
Changes in net asset value attributable to other holders of consolidated investment funds	6	**6,203**	(4,448)
Corporate guarantee	6	**(18,032)**	(21,500)
Depreciation of property and equipment	10	**18,134**	30,589
Dividend income	5	**(7,650)**	(11,837)
Finance costs	8	**52,388**	49,373
ECL net reversal		**(21,247)**	(61,954)
Gain on modification of borrowing	6	**—**	(111,416)
Net loss on modification of credit loans	6	**12,203**	—
Interest income	5	**(204,834)**	(433,963)
(Gain)/loss on fair value change of investment properties	23	**(8,580)**	42,120
Net loss on disposals of property and equipment	10	**176**	1,272
Loss on disposal of an investment property	6	**17,617**	—
Net realised and unrealised (gain)/loss on financial assets measured at fair value through profit or loss	5	**(111,158)**	230,221
Share option expenses	35	**7,423**	3,864
Share of results of associates, net		**(24,104)**	694
Fair value loss/(gain) on financial liability measured at fair value through profit or loss	6	**156,488**	(22,090)
Operating loss before working capital changes		**(189,562)**	(189,934)
Decrease in other assets		**3,116**	1,705
Decrease in accounts receivable, prepayments, deposits and other receivables		**44,229**	284,570
(Increase)/decrease in loans to margin clients		**(64,432)**	15,901
Decrease/(increase) in financial assets held for trading		**219,887**	(106,070)
Decrease in credit loans		**103,174**	128,845
(Increase)/decrease in bank balances held on behalf of clients		**(202,016)**	299,970
Increase/(decrease) in accounts payable, contract liabilities and accruals and other payables		**147,818**	(424,501)
Cash generated from operations		**62,214**	10,486
Capital distribution from financial assets measured at fair value through other comprehensive income		**300**	—
Dividend received		**7,650**	11,837
Interest received		**150,896**	168,674
Income tax paid, net		**(11,241)**	(5,765)
Net cash generated from operating activities		**209,819**	185,232

	Notes	2024 HK$'000	2023 HK$'000
Cash flows from investing activities			
Purchases of other intangible assets		**—**	(310)
Proceed from disposal of an investment property		**52,583**	—
Purchases of property and equipment		**(1,603)**	(15,998)
Net cash generated from/(used in) investing activities		**50,980**	(16,308)
Cash flows from financing activities			
Capital element of lease rentals paid	16(c)	**(12,189)**	(20,148)
Interest element of lease rentals paid	16(c)	**(2,371)**	(3,198)
Interest paid for bank and other borrowings	16(c)	**(44,713)**	(38,816)
Net repayments of bank and other borrowings	16(c)	**(167,515)**	(105,391)
Payment for redemption of shares to other holders of a consolidated investment fund	16(c)	**(1,898)**	—
Proceeds from shares issued to other holders of a consolidated investment fund	16(c)	**26,445**	13
Increase in pledged bank deposits		**(22,700)**	—
Dividend paid to the equity shareholders of the Company	14	**—**	(68,168)
Net cash used in financing activities		**(224,941)**	(235,708)
Net increase/(decrease) in cash and cash equivalents		**35,858**	(66,784)
Cash and cash equivalents at the beginning of the year		**122,380**	195,206
Effect of foreign exchange rate changes, on cash held		**(1,563)**	(6,042)
Cash and cash equivalents at the end of the year	16(a)	**156,675**	122,380

The notes on pages 125 to 222 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to equity holders of the Company											
	Share capital	Share premium*	Capital redemption reserve*	Contributed surplus*	Exchange reserve*	Investment revaluation reserve*	Property revaluation reserve*	Shareholder's contribution*	Shares held for Share Award Scheme*	Share option reserve*	Accumulated losses*	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	20,657	117,070	1,019	5,352,580	(2,259)	(18,608)	5,255	1,811	(22,798)	—	(3,443,121)	2,011,606
Special dividend approved in respective of Interim period (note 14)	—	—	—	(68,168)	—	—	—	—	—	—	—	(68,168)
Share option expenses recognised	—	—	—	—	—	—	—	—	—	3,864	—	3,864
Transactions with equity holders	—	—	—	(68,168)	—	—	—	—	—	3,864	—	(64,304)
Net profit for the year	—	—	—	—	—	—	—	—	—	—	119,537	119,537
Other comprehensive loss												
— Exchange loss on translation of financial statement of foreign operations	—	—	—	—	(5,424)	—	—	—	—	—	—	(5,424)
Total comprehensive income for the year	—	—	—	—	(5,424)	—	—	—	—	—	119,537	114,113
At 31 December 2023	20,657	117,070	1,019	5,284,412	(7,683)	(18,608)	5,255	1,811	(22,798)	3,864	(3,323,584)	2,061,415
At 1 January 2024	20,657	117,070	1,019	5,284,412	(7,683)	(18,608)	5,255	1,811	(22,798)	3,864	(3,323,584)	2,061,415
Share option expenses recognised	—	—	—	—	—	—	—	—	—	7,423	—	7,423
Transactions with equity holders	—	—	—	—	—	—	—	—	—	7,423	—	7,423
Net loss for the year	—	—	—	—	—	—	—	—	—	—	(73,367)	(73,367)
Other comprehensive loss												
— Exchange loss on translation of financial statement of foreign operations	—	—	—	—	(1,584)	—	—	—	—	—	—	(1,584)
— Capital distribution from investment measured at fair value through other comprehensive income	—	—	—	—	—	300	—	—	—	—	—	300
— Change in fair value of investment measured at fair value through other comprehensive income	—	—	—	—	—	(828)	—	—	—	—	—	(828)
Total comprehensive loss for the year	—	—	—	—	(1,584)	(528)	—	—	—	—	(73,367)	(75,479)
At 31 December 2024	20,657	117,070	1,019	5,284,412	(9,267)	(19,136)	5,255	1,811	(22,798)	11,287	(3,396,951)	1,993,359

* These reserve accounts comprise the reserves of HK$1,972,702,000 (31 December 2023: HK$2,040,758,000) in the consolidated statement of financial position as at 31 December 2024.

The notes on pages 125 to 222 form part of these financial statements.

1 GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and, its principal place of business is 5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). As at 31 December 2024, the immediate holding company is Quam Tonghai Holdings Limited, a company incorporated in Hong Kong with limited liability, which is beneficially owned as to 51% by Mr. Kenneth LAM Kin Hing and 49% by Mr. HAN Xiaosheng.

The Group is principally engaged in the following activities:

— corporate finance advisory and general advisory services

— fund management, discretionary portfolio management and portfolio management advisory services

— discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing, insurance broking and wealth management services

— money lending services

— financial media services

— investing and trading of various investment products

2 MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with all the applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Material accounting policies adopted by the Group are disclosed below.

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of preparation

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in an associate.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for the following assets that are stated at fair value as explained in the accounting policies set out below:

— investment properties (see note 2.12);

— financial instruments classified as financial assets measured at fair value through profit or loss (see note 2.15);

— financial instruments classified as financial assets measured at fair value through other comprehensive income (see note 2.15);

— derivative financial instruments (see note 2.15); and

— third party interests in consolidated investment funds (see note 2.21).

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Inter-company transactions, balances and cash flows between group companies together with any unrealised profits arising from inter-company transaction are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred and equity interests issued by the Group in exchange for control of the acquiree. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest; and the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting of a financial asset, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Subsidiaries

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights relating to the investee (held by the Group and others) are considered. For a right to be substantive, the Group must have the practical ability to exercise that right. Control is reassessed when facts and circumstances indicate that there are changes to one or more of the elements of control.

When the Group has a less than majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including (a) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; (b) potential voting rights held by the Group, other vote holders or other parties; (c) rights arising from other contractual arrangements; and (d) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. Structured entities often have restricted activities and a narrow and well defined objective.

In the Company's statement of financial position, investment in subsidiaries are carried at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre- or post-acquisition profits are recognised in the Company's profit or loss.

2.5 Associates

An associate is an entity over which the Group or the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Associates (Continued)

In the consolidated financial statements, the investments in associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the post-acquisition change in the Group's share of net assets and any impairment losses relating to the investments. The Group's share of the post-acquisition, post-tax results of the investees, including any impairment losses on the investments in associates for the period, are recognised in profit or loss, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income are recognised in other comprehensive income of the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associates. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to conform the associate's or accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and this amount is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of the interest in the associate is included in the determination of gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

In the Company's statement of financial position, interests in associates is carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency translation

The financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. All value are rounded to the nearest thousand except where otherwise indicated.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of and from the reporting date translation of monetary assets and liabilities are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the foreign exchange rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the foreign exchange rate at the date of the transaction.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rate at the reporting date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in exchange reserve in equity.

On disposal of a foreign operation involving loss of control over a subsidiary, joint control over a joint venture or significant influence over an associate that includes a foreign operation, the cumulative exchange differences relating to that foreign operation accumulated in exchange reserve are reclassified from equity to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control then the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding value added tax or other sales tax and those amounts collected on behalf of third parties.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accrued on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(a) for financial advisory, financial media service, handling and custodian service fee income, depending on the nature of the services and the contract terms, advisory fees are recognised progressively over time using output method based on milestones achieved that depicts the Group's performance, or at a point in time when the advisory service is completed;

(b) for asset management fee income, it is recognised on a time-proportion basis with reference to the net asset value of the investment funds and portfolios under management;

(c) for performance fee income, it is recognised on the performance fee valuation day of the managed accounts when there is a positive performance for the relevant period, taking into consideration the relevant calculation basis of the investments funds and portfolios under management;

(d) for commission income from brokerage business, it is recognised on a trade date basis when the relevant transactions are executed;

(e) for interest income from financial assets measured at amortised cost, it is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of impairment allowance) of the asset;

(f) for interest income from financial assets measured at fair value through profit or loss, it is recognised as it accrues using the other method (see note 2.15);

(g) for placing and underwriting commission income, they are recognised at a point in time when the obligation is completed;

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Revenue and other income (Continued)

(h) for dividend income, it is recognised when the shareholders' right to receive payment has been established from unlisted investments, and the share price of the listed investments goes ex-dividend; and

(i) for realised gains and losses on financial assets measured at fair value through profit or loss, they are recognised on a trade date basis. For unrealised gains and losses on financial assets measured at fair value through profit or loss, they are recognised at the end of the reporting period on the changes in fair value. Fair value gain or loss does not include any dividend income and interest income from financial assets measured at fair value through profit or loss.

2.8 Finance cost

Finance cost incurred directly attributable to the acquisition, construction or production of any qualifying asset during the period of time that is required to complete and prepare the asset for its intended use are capitalised as part of the cost of that asset. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other finance costs are expensed when incurred.

2.9 Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2.13).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (other than goodwill)

Intangible assets acquired separately or in a business combination

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is its fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any impairment losses (see note 2.13).

Internally-developed intangible assets (Research and development expenditures)

Expenditures associated with research activities are expensed in profit or loss as they occur. Expenditures that are directly attributable to development activities are recognised as intangible assets provided they meet the following recognition requirements:

(a) demonstration of technical feasibility of the prospective product for internal use or sale;

(b) there is intention to complete the intangible asset and use or sell it;

(c) the Group's ability to use or sell the intangible asset is demonstrated;

(d) the intangible asset will generate probable economic benefits through internal use or sale;

(e) sufficient technical, financial and other resources are available for completion; and

(f) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include staff costs incurred on development activities along with an appropriate portion of relevant overheads. The expenditure of development of internally generated software, products or know-how that meet the above recognition criteria are recognised as intangible assets and are recognised initially at cost. After initial recognition, they are carried at cost less accumulated amortisation and impairment losses (see note 2.13), if any. Development expenditures not satisfying the above criteria are expensed when incurred.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (other than goodwill) (Continued)

Amortisation of intangible assets

Amortisation of intangible assets with finite useful lives is provided on straight-line method over the estimated useful lives. The estimated useful lives of intangible assets are as follows:

Development costs	3–5 years
Film rights	Over the license periods
Mobile phone and computer applications	5 years
Corporate membership	Indefinite life

Amortisation commence when the intangible assets are available for use. The asset's amortisation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets are not amortised where their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

2.11 Property and equipment

Property and equipment, including right-of-use assets arising from leases of underlying property and equipment, are carried at cost less any accumulated depreciation and impairment losses (see note 2.13), if any.

Depreciation on property and equipment is provided to write off the cost less their estimated residual value over their estimated useful lives, using the straight-line method, as follows:

Buildings	60 years
Right-of-use assets	Over the lease terms
Leasehold improvements	10 years or over the lease terms, whichever is shorter
Furniture, fixtures and equipment	5 to 10 years
Motor vehicle	5 years

The assets' estimated residual value, depreciation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Property and equipment (Continued)

Items may be produced while bringing an item of property and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

The gain or loss arising on retirement or disposal of an item of property and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss on the date of retirement or disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss of the financial period in which they are incurred.

2.12 Investment properties

Investment properties are properties held for capital appreciation. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gain and loss arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment properties are is derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property, calculated as the difference between the net disposal proceeds and the carrying amount of the property, is included in profit or loss in the period in which the property is derecognised.

2.13 Impairment of non-financial assets

Goodwill arising on acquisition of a subsidiary and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually, and whenever there is any indication that they may be impaired. Property and equipment and interests in associates and joint ventures are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

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

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets (Continued)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets or group of assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from the synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

An impairment loss is recognised as an expense immediately for the amount by which the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment loss recognised for CGU, to which goodwill has been allocated, is credited initially to the carrying amount of goodwill. Any remaining impairment loss is allocated pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal, if measurable, and value in use, if determinable.

An impairment loss recognised for goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised. Reversal of impairment loss is recognised immediately in profit or loss.

2.14 Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (Continued)

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the period in which they are incurred.

The right-of-use asset is initially measured at cost when a lease is capitalised, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2.11 and 2.13), except for the right-of-use asset that meet the definition of investment property is carried at fair value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in "Property and equipment" and presents lease liabilities separately in the statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets under a contract whose terms that require delivery of assets within the time frame established generally by regulation or convention in the marketplace concerned. Derecognition of financial assets occurs when, and only when, the contractual rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognise the financial asset to the extent of its continuing involvement.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and it is not designated as at fair value through profit or loss:

(a) the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the equity investment is held for trading.

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. On derecognition of a financial asset that is classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is reclassified to retained profits.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

Financial assets measured at fair value through other comprehensive income (Continued)

Dividends on these investments in equity instruments are recognised in profit or loss. The capital distribution from financial assets measured at fair value through other comprehensive income, which represents recovery of part of the investment cost, is recognised in the investment revaluation reserve, which is not reclassified to profit or loss and is reclassified to retained profits represent a recovery of part of the cost of the investment.

Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss. If doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Interest income on debt instruments and dividend income on equity instruments at fair value through profit or loss is recognised in profit or loss. Fair value gain or loss does not include any dividend or interest earned on these financial assets.

Derivative financial instruments

Derivative financial instruments are recognised at fair value through profit or loss. At the end of each reporting period, the fair value is remeasured. The change in fair value arising from the remeasurement is recognised immediately in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

Credit losses and impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

— financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits, bank balances held on behalf of clients, accounts receivable, other assets, deposits and other receivables, credit loans, unlisted debt securities measured at amortised cost).

Financial assets measured at fair value, including units in funds, equity and debt securities measured at fair value through profit or loss, equity securities designated at fair value through other comprehensive income (non-recycling) and derivative financial assets, are not subject to the ECLs assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates if the effect is material:

— fixed-rate financial assets: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

— lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECLs model applies.

Impairment allowances for accounts receivable under HKFRS 15 are always measured at an amount equal to lifetime ECLs. For all other financial instruments, the Group recognises an impairment allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the impairment allowance is measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

— failure to make payments of principal or interest on their contractually due dates;

— an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

— an actual or expected significant deterioration in the operating results of the debtor; and

— existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account except for other receivables. For other receivables, the Group recognises an impairment gain or loss by adjusting their carrying amounts.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

Significant increases in credit risk (Continued)

Basis of calculation of interest income using effective interest method

Interest income from financial assets measured at amortised cost recognised in accordance with note 2.7 is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less impairment allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2.16 Income taxes

Income taxes comprise current tax and deferred tax.

Current income tax assets and/or liabilities comprise those claims from or obligations to taxation authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the period.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Income taxes (Continued)

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax assets and liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current tax and changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity, respectively.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if, (a) the Group has a legally enforceable right to set off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if, (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2.15.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Share capital and share premium

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium to the extent that they are incremental costs directly attributable to the equity transaction.

2.19 Retirement benefit costs and short-term employee benefits

Retirement benefits

The Group participates in several staff retirement benefit schemes for employees in Hong Kong and Mainland China, comprising defined contribution retirement schemes and a Mandatory Provident Fund scheme ("MPF Scheme"). The assets of these schemes are held separately from those of the Group in independently administered funds. The retirement benefit schemes are generally funded by payments from employees and the relevant group companies. The retirement benefit scheme expenses charged to profit or loss represent contributions payable by the Group to the schemes.

The subsidiaries operating in Mainland China are required to participate in the defined contribution retirement schemes for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement benefit schemes at a specified percentage of the employees' relevant income and there are no other further obligations to the Group.

The Group contributes to the MPF Scheme under the Mandatory Provident Fund Schemes Ordinance for all employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The Group's employer contributions vested fully with the employees when contributed into the MPF Scheme.

For long service payment ("LSP") obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Short-term employee benefits

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the reporting date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the reporting date for the expected future cost of such paid leave earned during the period by the employees and carried forward.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Share-based payments

The Group operates a share award scheme for remuneration of its employees and/or consultants.

All services received in exchange for the grant of any awarded shares are measured at their fair value. These are indirectly determined by reference to the fair value of awarded shares granted. Their value is appraised at the grant date and excludes the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets).

All services received are ultimately recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the awarded shares granted vest immediately unless the expense qualifies for recognition as asset, with a corresponding increase in "Awarded share reserve" within equity. If service or non-market performance conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of awarded shares expected to vest. Non-market performance and service conditions are included in assumptions about the number of share options and awarded shares that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of awarded shares expected to vest differs from previous estimates. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to awarded share reserve.

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as "Shares held for Share Award Scheme" and deducted from total equity. When the awarded shares are transferred to the awardees upon vesting, the related weighted average cost of the awarded shares vested are credited to "Shares held for Share Award Scheme", the related service costs of awarded shares vested are debited to the "Awarded share reserve", and any difference will be transferred to retained profits. Where the shares held for Share Award Schemes are revoked and the revoked shares are disposed of, the related gain or loss is transferred to retained profits.

Equity-settled share-based payment transactions

Share options granted to employees

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by management of the Group using a binomial model, further details of which are given in note 35 to the financial statements.

2.20 Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

2.21 Financial liabilities

The Group's financial liabilities include bank and other borrowings, accounts payable and other payables. Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for finance costs (see note 2.8 to the financial statements).

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified as fair value through profit or loss if it is classified as held for trading or designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Financial liabilities (Continued)

A financial liability is derecognised when, and only when, the obligation under the financial liability is discharged or cancelled, or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original financial liability and the recognition of a new financial liability, and the difference in the respective carrying amount is recognised in profit or loss.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Bank and other borrowings

Bank and other borrowings are recognised initially at fair value, net of directly attributable transaction costs incurred. Subsequent to initial recognition, they are stated at amortised cost, any difference between the initial amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Bank and other borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Financial liabilities (Continued)

Accounts payable and other payables

Accounts payable and other payables include accounts payable, accruals and other payables. They are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which cases they are stated at cost.

Third party interests in consolidated investment funds

Third party interests in consolidated investment funds represents the interest redeemable by the other holders of investment funds where the Group has consolidated. The balance is a financial liability as discussed in note 4(b). The balance is initially recognised at fair value and subsequently remeasured to their fair value at the end of reporting period. The resulting gain or loss is recognised in profit or loss.

Derivative financial instruments

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

2.22 Warrants

The net proceeds received from the issue of warrants are recognised in warrants reserve within equity. Net proceeds received for warrants issued with notes are determined based on their relative fair value at the issue date. When the warrants are exercised, the amount recognised in warrants reserve will be transferred to share capital and share premium accounts. For warrants that are not exercised at the expiry date, the amount previously recognised in the warrants reserve will be transferred to retained profits.

2.23 Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the present obligation is disclosed as a contingent liability, unless the possibility of outflow of economic benefits is remote. Possible obligations that arise from past events, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the possibility of an outflow of economic benefits is remote.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.24 Segment reporting

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

The Group has identified the following reportable segments:

(a) the corporate finance segment engages in securities placing and underwriting services, corporate finance advisory and general advisory services;

(b) the asset management segment engages in fund management, discretionary portfolio management and portfolio management advisory services;

(c) the brokerage segment engages in discretionary and non-discretionary dealing services for securities, futures and options, margin financing, insurance broking and wealth management services;

(d) the interest income segment engages in money lending services and interest income arising from debt instruments measured at amortised cost;

(e) the investments segment engages in investing and trading of various investment products; and

(f) the others segment represents financial media services and other insignificant operating segments.

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

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

(a) share of results of associates accounted for using the equity method;

(b) income tax expense; and

(c) corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segments. Inter-segment revenue are charged on the expenses incurred by the relevant subsidiaries plus certain percentages.

Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the chief operating decision maker.

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or Group's parent.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.26 Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2.7). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.15).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2.7).

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

- 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

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

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within twelve months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The application of the above amendments has no material impact on the classification of the Group's liabilities in the current or prior year.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions in applying the Group's accounting policies

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Provision for impairment loss of financial assets measured at amortised cost

In determining ECLs for financial assets measured at amortised cost, the most significant judgements relate to defining what is considered to be a significant increase in credit risk and in making assumptions and estimates to incorporate relevant information about past events, current conditions and forecasts of economic conditions. A high degree of uncertainty is involved in making estimations using assumptions that are highly subjective and very sensitive to the risk factors. Management reviews the provision on a regular basis.

(ii) Impairment loss of non-financial assets

At each reporting date, goodwill are tested for impairment. The Group also reviews internal and external sources of information to identify indications that any of the property and equipment, other intangible assets (including development costs), interests in associates may be impaired or an impairment loss previously recognised no longer exists or may have decreased. The sources utilised to identify indications of impairment are often subjective in nature and the Directors are required to use judgement in applying such information to its business. Their interpretation of such information has a direct impact on whether an impairment assessment is performed as at any given reporting date.

Determining whether an asset or a CGU is impaired requires an estimation of their recoverable amount. Depending on the assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or may engage external advisers in making this assessment. Regardless of the resources utilised, the Group is required to make assumptions in this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of these assets.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Critical accounting estimates and assumptions in applying the Group's accounting policies (Continued)

(iii) Fair value of financial assets in unlisted equity instruments and fund investments

The investments in unlisted equity instruments and fund investments that are accounted for as "financial assets measured at fair value through other comprehensive income" and "financial assets measured at fair value through profit or loss" are stated at fair value. The fair value of these financial assets is determined by using valuation techniques. Specific valuation techniques used to value these financial assets included value as reported by the fund administrators or other techniques, such as discounted cash flow analysis. The assumptions and discount rates used to prepare the cash flow analysis involve significant estimates and judgements and hence the fair value of these financial assets is subject to uncertainty. As at 31 December 2024, the carrying amount of the Group's investments in unlisted equity instruments and fund investments was approximately HK$394,166,000 (31 December 2023: HK$318,729,000) and HK$61,993,000 (31 December 2023: HK$67,642,000), respectively.

(iv) Fair value of investment properties

Investment properties in the consolidated statement of financial position at 31 December 2024 and 2023 are carried at fair value. The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

The carrying amount of investment properties as at 31 December 2024 was approximately HK$851,760,000 (31 December 2023: HK$913,380,000).

(b) Critical judgement in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the Directors are required to make judgements, apart from those involving estimates. The judgements that have been made and can significantly affect the amounts recognised in the financial statements are discussed below:

Determination of control over an investment fund

The Group invested in certain investment funds with primary objectives for capital appreciation, investment income and selling in the near future for profit. Pursuant to subscription agreement or equivalent documents, the beneficial interests in these investment funds held by the Group are in the form of participating shares or interests which primarily provide the Group with the share of returns from the investment funds and underlying net assets.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical judgement in applying the Group's accounting policies (Continued)

Determination of control over an investment fund (Continued)

These investment funds are managed by respective investment manager who has the power and authority to manage the investment funds and make investment decisions. Among those investment funds held by the Group where the Group acted as an investment manager, the Group regularly assesses and determines whether:

— the Group is acting as an agent or a principal to these investment funds;

— substantive removal rights held by other parties may remove the Group from acting as an investment manager; and

— the investment held together with its remuneration from managing these investment funds create significant exposure to variability of returns in these investment funds.

When the Group assesses that the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of the investment funds that is of such significance that indicates the Group is a principal, the Group had consolidated these investment funds. The Group classifies the financial instrument as financial liability and equity in accordance with the substance of the contractual terms. With redeemability, the fund holders have the right to put their attributable shares back to the fund for cash. Puttable financial instrument is a financial liability. Third-party interests in consolidated investment funds are thus categorised as financial liability and included in "Accruals and other payables". Changes in net asset value attributable to other holders of consolidated investment fund are included in "Other (loss)/income, net" in the consolidated statement of profit or loss and other comprehensive income. The carrying amount included in "Accruals and other payables" as at 31 December 2024 is HK$48,810,000 (31 December 2023: HK$18,060,000).

When the variable returns of these investment funds to the Group are not significant or the Group is subject to substantive removal rights held by other parties who may remove the Group as an investment manager, the Group did not consolidate these investment funds and classified them as "Financial assets held for trading measured at fair value through profit or loss" in accordance with the Group's accounting policies. Further details in respect of those investment funds in which the Group had an interest are disclosed in note 18 to these financial statements.

5 REVENUE

(a) Revenue analysis

	2024 HK$'000	2023 HK$'000
Corporate finance business		
Fee and commission income:		
— Placing and underwriting commission income	1,254	9,374
— Financial and compliance advisory services fee income	7,879	21,948
	9,133	31,322
Asset management business		
Fee and commission income:		
— Management fee, performance fee and service fee income	8,847	10,969
Brokerage business		
Fee and commission income:		
— Commission on dealings in securities		
— Hong Kong securities	19,768	24,422
— Other than Hong Kong securities	5,140	2,873
— Commission on dealings in futures and options contracts	27,914	36,891
— Handling, custodian and other service fee income	12,131	17,295
	64,953	81,481
Interest income business		
Interest income calculated using the effective interest method:		
— Interest income from credit loans and bonds	55,094	285,931
— Interest income from cash clients receivables and initial public offering loans	4,395	3,617
— Interest income from bank deposits held on behalf of clients	28,599	25,326
— Interest income from house money bank deposits and others	5,424	3,628
Interest income calculated using other method:		
— Interest income from loans to margin clients	108,076	111,725
— Interest income from others	3,246	3,736
	204,834	433,963
Investments and others business		
Fee and commission income:		
— Financial media service fee income	6,976	6,303
Net investment income/(loss):		
— Net realised and unrealised gain/(loss) on financial assets measured at fair value through profit or loss	111,158	(230,221)
— Dividend income from financial assets measured at fair value through profit or loss	7,650	11,837
	125,784	(212,081)
Total revenue	413,551	345,654

5 REVENUE (CONTINUED)

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts with customers and did not disclose information about the remaining performance obligations under the contracts that had an original expected duration of one year or less.

6 OTHER (LOSS)/INCOME, NET

	Notes	2024 HK$'000	2023 HK$'000
Changes in net asset value attributable to other holders of consolidated investment funds (note 16(c))		**(6,203)**	4,448
Exchange loss, net		**(3,175)**	(867)
Government subsidies		**—**	106
Sundry income		**304**	1,187
Corporate guarantee	(a)	**18,032**	21,500
Gain on modification of borrowing	(b)	**—**	111,416
Net loss on modification of credit loans	(c)	**(12,203)**	—
Loss on disposal of an investment property	(d)	**(17,617)**	—
Fair value (loss)/gain on financial liability measured at fair value through profit or loss	(b)	**(156,488)**	22,090
		(177,350)	159,880

Notes:

(a) As at 31 December 2024 and 2023, the Group has agreed to provide corporate guarantee for any shortfall from the guaranteed amounts. For details, please refer to note 41(a)(vi).

(b) During the year 2023, one of creditors agreed to modify the terms of the loan, including the maturity date and settlement method. This constituted a substantial modification of financial liabilities under HKFRS 9, resulting in a gain on modification of approximately HK$111,416,000, which was recognised in the consolidated statement of profit or loss. Upon modification, the loan was recognised as financial liabilities measured at fair value through profit and loss. The loan was fully settled in 2024.

(c) During the year 2024, the Group agreed with certain debtors to modify the terms of the credit loans, including the maturity date and settlement schedule. This constitutes modification of financial assets under HKFRS 9, resulting in net loss on modification of approximately HK$12,203,000 (2023: Nil), which have been recognised in the consolidated statement of profit or loss.

(d) During the year 2024, the Group disposed an investment property located in United State of America ("U.S.") at consideration of HK$52,583,000 (2023: Nil), resulting in disposal loss of HK$17,617,000 (2023: Nil).

7 SEGMENT INFORMATION

The executive Directors have identified the Group's six service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Corporate finance HK$'000	Asset management HK$'000	Brokerage HK$'000	Interest income HK$'000	Investments HK$'000	Others HK$'000	Total HK$'000
2024							
Reportable segment revenue							
Fee and commission income	9,133	8,847	64,953	—	—	6,976	89,909
Interest income	—	—	146,926	57,908	—	—	204,834
Net investment income	—	—	—	—	118,808	—	118,808
Segment revenue from external customers	9,133	8,847	211,879	57,908	118,808	6,976	413,551
Inter-segment revenue	1,450	1,974	270	—	—	493	4,187
Reportable segment revenue	10,583	10,821	212,149	57,908	118,808	7,469	417,738
Fee and commission income by timing of revenue recognition:							
Point in time	1,254	1,833	64,953	—	—	2,013	70,053
Over time	7,879	7,014	—	—	—	4,963	19,856
Fee and commission income	9,133	8,847	64,953	—	—	6,976	89,909
Reportable segment result	(10,703)	(4,713)	34,372	233	(98,444)	(7,028)	(86,283)
Depreciation and amortisation (note 10)	43	53	17,090	387	898	1,123	19,594
Changes in net asset value attributable to other holders of consolidated investment funds (note 6)	—	—	—	—	(6,203)	—	(6,203)
Finance costs (note 8)	—	—	9,205	38,449	4,734	—	52,388
Corporate guarantee gain (note 6)	—	—	—	—	18,032	—	18,032
ECL net reversal/(charges)	(604)	19	1,872	19,866	104	(10)	21,247
Loss on disposal of an investment property (note 6)	—	—	—	—	17,617	—	17,617
Net loss on modification of credit loans (note 6)	—	—	—	12,203	—	—	12,203
Fair value loss on financial liabilities measured at fair value through profit or loss (note 6)	—	—	—	—	156,488	—	156,488
Gain on fair value change of investment properties (note 23)	—	—	—	—	8,580	—	8,580

7 SEGMENT INFORMATION (CONTINUED)

	Corporate finance HK$'000	Asset management HK$'000	Brokerage HK$'000	Interest income HK$'000	Investments HK$'000	Others HK$'000	Total HK$'000
2023							
Reportable segment revenue							
Fee and commission income	31,322	10,969	81,481	—	—	6,303	130,075
Interest income	—	—	145,166	287,143	1,654	—	433,963
Net investment loss	—	—	—	—	(218,384)	—	(218,384)
Segment revenue from external customers	31,322	10,969	226,647	287,143	(216,730)	6,303	345,654
Inter-segment revenue	4,850	1,772	743	—	—	252	7,617
Reportable segment revenue	36,172	12,741	227,390	287,143	(216,730)	6,555	353,271
Fee and commission income by timing of revenue recognition:							
Point in time	9,374	847	81,481	—	—	1,433	93,135
Over time	21,948	10,122	—	—	—	4,870	36,940
Fee and commission income	31,322	10,969	81,481	—	—	6,303	130,075
Reportable segment result	3,606	(2,496)	30,683	261,588	(164,371)	(7,475)	121,535
Depreciation and amortisation (note 10)	84	56	25,137	134	5,105	1,343	31,859
Changes in net asset value attributable to other holders of consolidated investment funds (note 6)	—	—	—	—	4,448	—	4,448
Finance costs (note 8)	—	—	9,106	36,427	3,840	—	49,373
Corporate guarantee gain (note 6)	—	—	—	—	21,500	—	21,500
ECL net reversal/(charges)	(7,680)	(51)	24,436	45,743	(738)	244	61,954
Fair value gain on financial liability measured at fair value through profit or loss (note 6)	—	—	—	—	22,090	—	22,090
Loss on fair value change of investment properties (note 23)	—	—	—	—	42,120	—	42,120

7 SEGMENT INFORMATION (CONTINUED)

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

	2024 HK$'000	2023 HK$'000
Reportable segment revenue	**417,738**	353,271
Elimination of inter-segment revenue	**(4,187)**	(7,617)
Total revenue	**413,551**	345,654
Reportable segment result	**(86,283)**	121,535
Share of results of associates, net	**24,104**	(694)
Unallocated corporate expenses	**(3,870)**	(2,970)
(Loss)/profit before tax	**(66,049)**	117,871

Geographical information

The Group's operations are substantially located in Hong Kong and substantiating all assets of the Group are located in Hong Kong, except investment properties and pledged bank deposits are located in U.S.. Therefore, no detailed analysis of geographical information is presented.

The Group's customers include the following with whom transactions have exceeded 10% of the Group's revenue (excluded net investment income/(loss)):

	2024 HK$'000	2023 HK$'000
Former connected parties which included the subsidiaries of Tohigh Holdings Co., Ltd., Oceanwide Holdings Co., Ltd., China Oceanwide Holdings Limited (in liquidation) and Minyun Limited*	**61,082**	218,307

* Revenue from these former connected parties, which are under common control of our former ultimate beneficial owner, is attributable to interest income segment, asset management segment, corporate finance segment and brokerage segment during the year. Upon the completion of sale and purchase of certain Company's shares took place on 3 February 2023, those connected parties have become former connected parties of the Company.

8 FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on bank borrowings	**37,888**	33,989
Interest on other borrowings	**12,129**	12,186
Interest on lease liabilities	**2,371**	3,198
	52,388	49,373

9 STAFF COSTS

	2024 HK$'000	2023 HK$'000
Directors' emoluments (note 15)		
— Fees, salaries, allowances and benefits in kind	**11,098**	10,915
— Discretionary bonuses	**1,010**	550
— Share-based compensation expense — Share option scheme (note 35)	**3,664**	1,719
	15,772	13,184
Other staff costs		
— Salaries, allowances and bonuses	**134,120**	153,611
— Employee sales commission	**435**	185
— Retirement benefits scheme contributions	**3,991**	4,108
— Other staff benefits	**1,400**	600
— Share-based compensation expense — Share option scheme (note 35)	**3,759**	2,145
	143,705	160,649
	159,477	173,833

Share options were granted in July 2023 to Directors, directors of certain subsidiaries of the Company and the employees of the Group in respect of their services to the Group, further details of which are set out in note 35 to the consolidated financial statements. The fair value of these options, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the corresponding amounts for the years ended 31 December 2024 and 2023 are shown above.

10 (LOSS)/PROFIT BEFORE TAX

	2024 HK$'000	2023 HK$'000
(Loss)/profit before tax is arrived at after charging:		
Depreciation and amortisation		
— Other intangible assets (note 25)	**1,460**	1,270
— Property and equipment (note 27)	**18,134**	30,589
	19,594	31,859
Other items		
— Net loss on disposals of property and equipment	**176**	1,272
— Direct operating expenses arising from investment properties that do not generate rental income	**14,570**	2,827
— Expenses relating to short-term leases (note 16(d))	**960**	605

11 OTHER OPERATING EXPENSES

	Notes	2024 HK$'000	2023 HK$'000
Advertising and promotion expenses		**1,473**	1,589
Auditor's remuneration		**2,450**	2,450
Bank charges		**1,262**	1,237
Consultancy fee		**2,819**	3,563
Entertainments		**1,475**	2,015
General office expenses		**6,387**	6,358
Insurance		**3,933**	2,624
Legal and professional fee	(a)	**9,148**	13,148
Repairs and maintenance		**5,442**	4,260
Office reinstatement and relocation cost	(b)	**266**	8,752
Short-term leases, rent and rates and building management fee		**9,228**	7,181
Travelling and transportation expenses		**2,081**	1,820
Others		**5,337**	3,002
		51,301	57,999

Notes:

(a) For the year ended 31 December 2023, total legal and professional fee of HK$13,148,000 consisted of the fee of HK$5,686,000 related to various one-off corporate transactions.

(b) For the year ended 31 December 2023, office reinstatement and relocation cost represented cost for relocation of new office took place in first quarter of 2023.

12 TAX EXPENSE/(CREDIT), NET

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 HK$'000	2023 HK$'000
Current tax — Hong Kong Profits Tax		
— Current year	856	541
— Over provision in prior years	(310)	—
	546	541
Current tax — Overseas Tax	3,354	—
Deferred tax expense/(credit) (note 32)	3,418	(2,207)
Total tax expense/(credit)	7,318	(1,666)

The provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year ended 31 December 2024, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

Taxation for subsidiaries operating in other jurisdictions is charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

(b) Reconciliation between tax credit and accounting (loss)/profit at applicable tax rates:

	2024 HK$'000	2023 HK$'000
(Loss)/profit before tax	(66,049)	117,871
Notional tax at Hong Kong Profits Tax rate of 8.25% on the first HK$2 million profit	165	165
Notional tax at Hong Kong Profits Tax rate of 16.5% on remaining (loss)/profit	(11,228)	19,119
Effect of different tax rates of subsidiaries operating in other jurisdictions	5,533	7,795
Tax effect of non-deductible expenses	3,597	7,591
Tax effect of non-taxable income	(5,202)	(3,324)
Tax effect of unused tax losses not recognised as deferred tax assets	23,964	7,450
Tax effect of prior years' unrecognised tax losses utilised this year	(226)	(3,649)
Tax effect of temporary differences not recognised as deferred tax	(4,998)	(36,813)
Share of results of associates, net	(3,977)	—
Over provision in prior years	(310)	—
Total tax expense/(credit)	7,318	(1,666)

13 (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share attributable to equity holders of the Company is based on the followings:

(a) Basic (loss)/earnings per share

(Loss)/profit attributable to equity holders of the Company

	2024 HK$'000	2023 HK$'000
For purpose of calculating basic (loss)/earnings per share	(73,367)	119,537

Weighted average number of ordinary shares in issue less shares held for Share Award Scheme

	2024	2023
For purpose of calculating basic (loss)/earnings per share	6,145,877,218	6,145,877,218

(b) Diluted (loss)/earnings per share

For the years ended 31 December 2024 and 2023, potential dilutive ordinary shares are not included in the calculation of diluted (loss)/earnings per share because they are anti-dilutive. Therefore, the diluted (loss)/earnings per share equals to the basic (loss)/earnings per share.

14 DIVIDENDS

Dividend payable to equity holders of the Company attributable to the year:

	2024 HK$'000	2023 HK$'000
Special dividend declared and paid of HK1.1 cents per ordinary share	—	68,168

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

15 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments

The aggregate amounts of emoluments paid and payable to the Directors are as follows:

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Share-based compensation expenses — share option scheme (note (i)) HK$'000	Total HK$'000
Year ended 31 December 2024					
Executive Directors					
Mr. HAN Xiaosheng	960	—	—	678	1,638
Mr. Kenneth LAM Kin Hing	—	5,200	650	1,356	7,206
Mr. LIU Hongwei	600	—	—	678	1,278
Mr. LAM Wai Hon (note (ii))	—	2,988	360	163	3,511
Non-executive Director					
Mr. FANG Zhou (note (iii))	600	—	—	163	763
Independent Non-executive Directors					
Mr. Roy LO Wa Kei	250	—	—	313	563
Mr. LIU Jipeng	250	—	—	313	563
Ms. Cindy KONG Siu Ching (note (vi))	250	—	—	—	250
	2,910	8,188	1,010	3,664	15,772

15 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

Directors' emoluments (Continued)

	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Share-based compensation expenses — share option scheme (note (i)) HK$'000	Total HK$'000
Year ended 31 December 2023					
Executive Directors					
Mr. HAN Xiaosheng	—	—	—	306	306
Mr. Kenneth LAM Kin Hing	—	5,200	550	611	6,361
Mr. LIU Hongwei	—	—	—	306	306
Mr. LAM Wai Hon (note (ii))	—	1,855	—	73	1,928
Mr. FANG Zhou (note (iii))	1,127	—	—	—	1,127
Non-executive Directors					
Mr. FANG Zhou (note (iii))	1,825	—	—	73	1,898
Mr. LIU Bing (note (iv))	—	—	—	—	—
Mr. ZHAO Yingwei (note (iv))	—	—	—	—	—
Mr. ZHAO Xiaoxia (note (iv))	—	—	—	—	—
Independent Non-executive Directors					
Mr. Roy LO Wa Kei	250	—	—	175	425
Mr. LIU Jipeng	250	—	—	175	425
Ms. Cindy KONG Siu Ching (note (vi))	93	—	—	—	93
Mr. KONG Aiguo (note (v))	105	—	—	—	105
Mr. HE Xuehui (note (v))	105	—	—	—	105
Mr. HUANG Yajun (note (v))	105	—	—	—	105
	3,860	7,055	550	1,719	13,184

Notes:

(i) These amounts represent the estimated value of share options granted to the relevant Directors under share option scheme. The value of these share options was measured according to the accounting policies for share-based payments as set out in note 2.20. Further details of the option granted are set out in note 35.

(ii) Mr. LAM Wai Hon appointed as an executive Director with effect from 19 May 2023 and resigned as an executive Director with effect from 16 January 2025.

(iii) Mr. FANG Zhou re-designated from an executive Director to a non-executive Director and relinquished his position as the deputy chairman of the Company and ceased to be the chairman of the executive committee of the Company and the member of the remuneration committee with effect from 19 May 2023. Mr. FANG Zhou resigned as a non-executive Director with effect from 1 January 2025.

(iv) Mr. LIU Bing, Mr. ZHAO Yingwei and Mr. ZHAO Xiaoxia resigned as a non-executive Director with effect from 19 May 2023.

(v) Mr. KONG Aiguo, Mr. HE Xuehui and Mr. HUANG Yajun resigned as an independent non-executive Director with effect from 19 May 2023.

(vi) Ms. Cindy KONG Siu Ching appointed as an independent non-executive Director with effect from 18 August 2023.

15 EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (CONTINUED)

Directors' emoluments (Continued)

Share options were granted in July 2023 to executive Directors, non-executive Director and independent non-executive Directors in respect of their services to the Group, further details of which are set out in note 35 to the consolidated financial statements.

There was no arrangement under which a Director waived or agreed to waive any emoluments in respect of the years ended 31 December 2024 and 2023. No emolument was paid by the Group to the Directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

Emoluments of five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 included two (2023: two) Directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2023: three) individuals during the year ended 31 December 2024 are as follows:

	2024 HK$'000	2023 HK$'000
Salaries and allowances	11,497	11,664
Discretionary bonuses	1,078	993
Share-based compensation expense — share option scheme	2,035	917
Retirement benefits scheme contributions	54	54
	14,664	13,628

The emoluments of these remaining three (2023: three) highest paid individuals fell within the following bands:

	Number of individuals	
	2024	2023
HK$3,000,001–HK$3,500,000	—	1
HK$3,500,001–HK$4,000,000	1	1
HK$4,000,001–HK$4,500,000	1	—
HK$4,500,001–HK$5,000,000	—	—
HK$5,000,001–HK$5,500,000	—	1
HK$5,500,001–HK$6,000,000	—	—
HK$6,000,001–HK$6,500,000	1	—
	3	3

During the years ended 31 December 2024 and 2023, no emolument was paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

16 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Demand deposits and cash on hand	**156,675**	122,380

Notes:

(i) Demand deposits earn interest at floating rates based on daily bank deposit rates.

(ii) Included in cash and cash equivalents of the Group is Renminbi ("RMB") of approximately HK$55,338,000 (31 December 2023: HK$27,549,000) placed with banks in Mainland China. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchange business.

(b) As at 31 December 2024, pledged bank deposits carry floating interest rate at 1.49% per annum (31 December 2023: Nil) and represent deposits pledged to a bank to secure banking facilities granted to the Group. Deposits amounting to HK$22,700,000 (31 December 2023: Nil) have been pledged to secure a long-term borrowings with a U.S. bank and are therefore classified as non-current assets.

The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

Details of impairment assessment of bank balances and pledged bank deposits are set out in note 40.

16 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

	Third party interests in consolidated investment funds HK$'000 Note 4(b)	Bank and other borrowings HK$'000 Note 28	Lease liabilities HK$'000 Note 31
At 1 January 2024	18,060	674,007	61,515
Changes from financing cash flows			
— Interest paid for other borrowings	—	(7,086)	—
— Interest paid for bank borrowings	—	(37,627)	—
— Payments for redemption of shares issued to other holders of a consolidated investment fund	(1,898)	—	—
— Proceeds from shares issued to other holders of a consolidated investment fund	26,445	—	—
— Capital element of lease rentals paid	—	—	(12,189)
— Interest element of lease rentals paid	—	—	(2,371)
— Net repayment of other borrowings	—	(208,250)	—
— Net proceed from bank borrowings	—	40,735	—
	24,547	(212,228)	(14,560)
Non-cash changes			
— Changes in net asset value attributable to other holders of consolidated investment funds (note 6)	6,203	—	—
— Increase in lease liabilities from entering into new leases during the year	—	—	420
— Interest on lease liabilities (note 8)	—	—	2,371
— Interest on other borrowings (note 8)	—	12,129	—
— Interest on bank borrowings (note 8)	—	37,888	—
— Fair value loss on financial liability measured at fair value through profit or loss (note 6)	—	156,488	—
— Exchange adjustment	—	—	(30)
	6,203	206,505	2,761
At 31 December 2024	48,810	668,284	49,716

16 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Third party interests in consolidated investment funds HK$'000 Note 4(b)	Bank and other borrowings HK$'000 Note 28	Lease liabilities HK$'000 Note 31
At 1 January 2023	22,495	905,545	48,771
Changes from financing cash flows			
— Interest paid for other borrowings	—	(6,560)	—
— Interest paid for bank borrowings	—	(32,256)	—
— Proceeds from shares issued to other holders of a consolidated investment fund	13	—	—
— Capital element of lease rentals paid	—	—	(20,148)
— Interest element of lease rentals paid	—	—	(3,198)
— Net repayment of other borrowings	—	(9,500)	—
— Net repayment of bank borrowings	—	(95,891)	—
	13	(144,207)	(23,346)
Non-cash changes			
— Changes in net asset value attributable to other holders of consolidated investment funds (note 6)	(4,448)	—	—
— Increase in lease liabilities from entering into new leases during the year	—	—	32,892
— Interest on lease liabilities (note 8)	—	—	3,198
— Interest on other borrowings (note 8)	—	12,186	—
— Interest on bank borrowings (note 8)	—	33,989	—
— Gain on modification of borrowing (note 6)	—	(111,416)	—
— Fair value gain on financial liability measured at fair value through profit or loss (note 6)	—	(22,090)	—
	(4,448)	(87,331)	36,090
At 31 December 2023	18,060	674,007	61,515

16 CASH AND CASH EQUIVALENTS, PLEDGED BANK DEPOSITS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(d) Total cash outflow for leases

Amounts included in the cash flow statement for leases comprise the following:

	2024 HK$'000	2023 HK$'000
Within operating cash flows (note 10)	**960**	605
Within financing cash flows	**14,560**	23,346
	15,520	23,951

17 BANK BALANCES HELD ON BEHALF OF CLIENTS

From the Group's ordinary business of securities, futures and options dealing, it receives and holds money deposited by clients in the course of conducting its regulated activities. These client's monies are maintained in one or more segregated bank accounts and bank time deposits. The Group has recognised the corresponding accounts payable to respective clients.

18 FINANCIAL ASSETS HELD FOR TRADING

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Financial assets held for trading measured at fair value through profit or loss		
Listed financial assets	**180,329**	222,380
Unlisted financial assets (notes)	**452,777**	382,161
	633,106	604,541
Analysis of the net amount into current and non-current portions:		
Current	**601,024**	566,351
Non-current	**32,082**	38,190
	633,106	604,541

18 FINANCIAL ASSETS HELD FOR TRADING (CONTINUED)

Notes:

(a) Unlisted financial assets comprise of unlisted equity securities and private equity funds.

(b) The Group had completed the acquisition of approximately 15.7% of the issued share capital of Fortune Origin Group Limited ("Fortune Origin") at consideration of HK$120 million in 2023. The fair value of investment in Fortune Origin as at 31 December 2023 was HK$150,641,000. Upon completion of loan assignment and disposal of equity securities in 2024, the Group's equity interest in Fortune Origin increased to approximately 21.3% and it became associates of the Group which accounted for using equity method. The details of acquisition are set out in the Company's announcements dated on 18 December 2023, 10 January 2024 and 30 May 2024.

On 21 November 2024, the Group's equity interest in Fortune Origin has been diluted and decreased to approximately 19.8%. Fortune Origin ceased to be associates of the Group and the equity interest in Fortune Origin held by the Group are reclassified as financial assets measured at fair value through profit or loss. The fair value of investment in Fortune Origin as at 31 December 2024 was HK$310,123,000.

(c) The Group had committed to invest US$20 million in Oceanwide Pioneer Limited Partnership (the "Fund"), representing 25%* (2023: 25%*) of the aggregated capital committed by all partners in the Fund as at 31 December 2024. Following the acceptance of the subscription agreement by the general partner, the Group was admitted as a limited partner.

The Fund is a close-ended private equity fund structured as a Cayman Islands exempted limited partnership with an investment objective to achieve long-term capital appreciation through equity and equity-related investments in selected good-quality enterprises and projects as pioneers in the relevant industries. Under the subscription agreement, the limited partners do not have the power to participate in the financial and operating policy decisions of the Fund, whilst the general partner has the rights and power to administer the affairs of the Fund and include all powers statutory and otherwise, which may be possessed under the laws of Cayman Islands. Though the Group had served as an investment manager and generated management fee income from managing assets on behalf of investors, as the Group as an investment manager can be terminated without cause by the general partner, and the Group did not have any control or significant influence over the general partner, the Group did not consolidate or account for the Fund as an associate despite its equity interest of 25%* (2023: 25%*).

Total net asset value of the Fund of which the Group is the investment manager as at 31 December 2024 was HK$129,348,000 (2023: HK$153,885,000). The Group's maximum exposure to loss from its interest in the Fund is limited to the carrying amount. As at 31 December 2024, the fair value of the investment in the Fund was HK$32,082,000 (2023: HK$38,190,000). Change in fair value of the Fund is included in the consolidated statement of profit or loss in "Net realised and unrealised gain/(loss) on financial assets measured at fair value through profit or loss" within "Revenue" and the amount attributable to the Fund of which the Group is the investment manager represented loss of HK$6,108,000 (2023: gain of HK$6,236,000).

* rounded to the nearest one percent

19 FINANCIAL ASSETS NOT HELD FOR TRADING

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Financial assets measured at amortised cost			
Unlisted debt securities		**1,112,814**	1,017,753
Less: ECL provisions	(b)	**(980,566)**	(882,167)
		132,248	135,586
Financial assets measured at fair value through other comprehensive income			
Unlisted equity securities	(a)	**3,382**	4,210
		135,630	139,796
Analysis of the net amount into current and non-current portions:			
Current		**132,248**	135,586
Non-current		**3,382**	4,210
		135,630	139,796

19 FINANCIAL ASSETS NOT HELD FOR TRADING (CONTINUED)

Notes:

(a) Movement in unlisted equity securities is as follows:

	McMillen Advantage Capital Limited ("MAC") (note (i)) HK$'000	Capital Financial Holding Ltd. ("CFH") HK$'000	Total HK$'000
At 1 January 2023, 31 December 2023 and 1 January 2024	—	4,210	4,210
Fair value changes recognised in other comprehensive income	—	(828)	(828)
At 31 December 2024	**—**	**3,382**	**3,382**

Notes:

(i) The Group has not accounted for MAC as an associate despite the Group holds 23%* ownership interest because the Group does not have any power to participate in its financial and operating policy decisions nor any right to appoint a director of MAC.

(ii) The above financial assets are unlisted equity securities which are not held for trading. Instead, they are held for medium or long-term strategic purpose. The Group has designated these investments in equity securities as at fair value through other comprehensive income as the Directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

* Rounded to the nearest one percent.

(b) Movement in the ECL provisions of financial assets measured at amortised cost is as follows:

	HK$'000
At 1 January 2023	741,733
ECL charges	66,397
Unwind of discount	77,596
Written-off	(3,559)
At 31 December 2023 and 1 January 2024	**882,167**
ECL charges	**17,011**
Unwind of discount	**81,388**
At 31 December 2024	**980,566**

20 LOANS TO MARGIN CLIENTS

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Loans to margin clients		
— Measured at fair value through profit or loss	**610,217**	547,986

Note:

Margin clients are required to pledge securities collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a comprehensive analysis including but not limited to loan-to-market and loan-to-marginable value ratios ("lending ratios"), concentration risk, illiquid collaterals and overall availability of funds. The Group exercises continuous monitoring on outstanding margin loans to see if the actual lending ratios have exceeded the pre-determined levels as a credit risk control mechanism. Any excess in the lending ratios will trigger a margin call where the clients have to make good the shortfall. As at 31 December 2024, the market value of securities pledged by margin clients to the Group as collateral was HK$9,857 million (31 December 2023: HK$5,833 million) and the Group is permitted to sell collaterals provided by clients if they fail to fulfil margin calls. Loans to margin clients are repayable on demand and bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a spread). As loans to margin clients are measured at fair value through profit or loss, the carrying amounts of the loans, counted on client-by-client basis, would be marked down to the market value of the clients' collaterals.

21 CREDIT LOANS

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Credit loans, gross amount			
— Unsecured		**4,265,550**	3,854,279
— Secured	(b), (e)	**317,718**	558,615
	(a)	**4,583,268**	4,412,894
Less: ECL provisions	(c)	**(4,262,809)**	(3,990,712)
Credit loans, net	(d), (e)	**320,459**	422,182

Notes:

(a) The credit loans bear interest at fixed rates ranging from 6% to 12% (31 December 2023: 2.5% to 12%) per annum.

(b) As at 31 December 2024 and 2023, the collaterals held by the Group for the secured credit loans mainly include shares of listed and private companies and assets of private companies.

21 CREDIT LOANS (CONTINUED)

Notes: (Continued)

(c) Movement in the ECL provisions of credit loans is as follows:

	HK$'000
At 1 January 2023	3,824,081
Reversal of ECL charges	(101,105)
Written-off	(13,349)
Unwind of discount	281,085
At 31 December 2023 and 1 January 2024	**3,990,712**
Reversal of ECL charges	**(36,906)**
Written-off	**(145,221)**
Unwind of discount	**454,224**
At 31 December 2024	**4,262,809**

Reversal of ECL charges in the years 2024 and 2023 was due to settlement from certain borrowers during those years.

(d) Ageing analysis of credit loans based on due date and net of ECL provision is as follows:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Within 30 days	**63,979**	94,196
31–90 days	**—**	—
Over 90 days	**256,480**	327,986
Credit loans, net	**320,459**	422,182

(e) As at 31 December 2023, included in secured credit loans, a net balance of HK$2,135,000 was reverse repurchase agreements on bonds.

	As at 31 December 2023 HK$'000
Gross amount	2,165
Less: ECL provisions	(30)
	2,135

Reverse repurchase agreements are transactions in which the external investors sell a security to the Group and simultaneously agree to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is not exposed to substantially all the credit risks, market risks and rewards of those securities bought. These securities are not recognised in the consolidated financial statements but regarded as "collateral" because the external investors retain substantially all the risks and rewards of these securities. The reverse repurchase agreements were fully settled in 2024.

As at 31 December 2023, the fair value of the collaterals was HK$4,129,000.

22 ACCOUNTS RECEIVABLE

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Accounts receivable from dealings in securities, futures and options contracts			
— Brokers and clearing houses	(a)	**235,074**	272,879
— Cash clients	(a)	**31,664**	29,954
Accounts receivable from asset management, corporate finance and other businesses			
— Clients	(a)	**20,045**	21,806
		286,783	324,639
Less: ECL provisions	(b)	**(25,609)**	(22,367)
Accounts receivable, net	(c)	**261,174**	302,272

Notes:

(a) Amounts due from brokers, clearing houses and cash clients for the dealings in securities are required to be settled on the settlement dates of their respective transactions (normally one to three business days after the respective trade dates). Amounts due from brokers and clearing houses for the dealings in futures and options contracts are repayable on demand (except for the required margin deposits for the trading of futures and options contracts). There are no credit periods granted to clients for its asset management, corporate finance and other businesses. The amounts due from cash clients after the settlement dates bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a higher spread than that of margin client).

(b) Movement in the ECL provisions of accounts receivable is as follows:

	HK$'000
At 1 January 2023	17,669
ECL charges	8,007
Written-off	(3,309)
At 31 December 2023 and 1 January 2024	**22,367**
ECL charges	**3,252**
Written-off	**(10)**
At 31 December 2024	**25,609**

22 ACCOUNTS RECEIVABLE (CONTINUED)

Notes: (Continued)

(c) Ageing analysis of accounts receivable based on due date and net of ECL provisions is as follows:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Within 30 days	**251,898**	278,230
31–90 days	**1,401**	1,036
Over 90 days	**7,875**	23,006
Accounts receivable, net	**261,174**	302,272

23 INVESTMENT PROPERTIES

	2024 HK$'000	2023 HK$'000
At 1 January	**913,380**	—
Additions arising from acquisition of subsidiaries (note 45)	**—**	960,118
Exchange alignment	**—**	(4,618)
Disposal	**(70,200)**	—
Gain/(loss) on fair value change	**8,580**	(42,120)
At 31 December	**851,760**	913,380

All of the Group's investment properties are held in the U.S..

The settlement arrangement to the loans with China Oceanwide International Investment Company Limited, being a former connected party, was completed on 22 August 2023. The transfer of the sales shares of target companies (all being investment holding companies) was completed. The possession of the four U.S. residential properties was obtained on 22 August 2023 (U.S. time) under the terms and conditions were fulfilled.

23 INVESTMENT PROPERTIES (CONTINUED)

The target companies, namely 1) King Domain Limited, 2) Honour Smart Investments Limited, 3) Delight Wise Investments Limited and 4) Sheen Grace Investments Limited ("Target Companies") all become wholly-owned subsidiaries of the Company and each of their financial positions and performance would be consolidated into the consolidated financial statements of the Company with effect from the date of completion. Each of the 4 Target Companies is holding a residential property in U.S. ("Residential U.S. Properties") upon completion of settlement agreement. During the year ended 31 December 2024, the Group disposed one of the above Residential U.S. Properties to an independent third-party with carrying amount of HK$70,200,000, at net proceeds of HK$52,583,000 and thus recognised a loss on disposal of HK$17,617,000 which included in "Other (loss)/income, net" in the consolidated statement of profit or loss.

All of the Group's property interests are held for capital appreciation which accounted for investment properties and measured using fair value model.

The table below sets out particulars of the Residential U.S. Properties as at 31 December 2024:

No.	Property	Type of use	Particulars of occupancy	Term of lease
1.	250 Atherton Avenue, Atherton, CA 94027, County of San Mateo, State of California, the U.S.	Residential	Vacant	Freehold
2.	40 Verbalee Lane, Hillsborough, CA 94010, County of San Mateo, State of California, the U.S.	Residential	Vacant	Freehold
3.	1111 Tournament Drive, Hillsborough, CA 94010, County of San Mateo, State of California, the U.S.	Residential	Vacant	Freehold

23 INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of investment properties:

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

- Level 3 valuations: Fair value measured using significant unobservable inputs.

		Fair value measurements categorised into		
	Total HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
At 31 December 2024				
Recurring fair value measurement				
— 3 Residential U.S. Properties	**851,760**	**—**	**—**	**851,760**
At 31 December 2023				
Recurring fair value measurement				
— 4 Residential U.S. Properties	913,380	—	—	913,380

The fair value of the Group's investment properties as at 31 December 2024 and 2023 has been arrived at on the basis of a valuation carried out on the respective date by Masterpiece Valuation Advisory Limited ("Masterpiece"), independent qualified professional valuers not connected to the Group.

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the year and in prior year.

23 INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of investment properties: (Continued)

(ii) Valuation techniques and key inputs used in Level 3 fair value measurements

Valuation on investment properties which are categorised as Level 3 fair value measurement at the end of the reporting period are as follows:

Property	Valuation Technique	Significant Unobservable Inputs	Range of unit selling price per square feet as at 31 December 2024 US$
3 Residential U.S. Properties (2023: 4 Residential U.S. Properties)	Direct comparison method	Selling price per square feet	**1,135–2,152 (2023: 1,135–2,173)**

The fair value of each investment property is individually determined at the end of each reporting period by adopting direct comparison method by comparing recent market evidence of similar properties located in the neighborhood area of the property. The property sales comparable are selected as they have characteristics comparable to the subject property. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including size, location, time, age, and any other relevant factors when comparing such sales against the subject property. This approach is commonly used to value properties where reliable sales evidence is available.

The fair value measurements are positively correlated to the selling price per square feet.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2024 HK$'000	2023 HK$'000
Investment properties — Residential U.S. Properties		
At 1 January	**913,380**	—
Additions	—	960,118
Exchange alignment	—	(4,618)
Disposal	**(70,200)**	—
Gain/(loss) on fair value change	**8,580**	(42,120)
At 31 December	**851,760**	913,380

All the fair value adjustment of investment properties is recognised in the consolidated statement of profit or loss.

24 INTEREST IN AN ASSOCIATE

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Share of net assets	—	1,180

Particulars of an associate as below, which is accounted for using the equity method in the consolidated financial statements, as at 31 December 2024 and 2023 are as follows:

Name	Place of incorporation	Particulars of paid-up capital	Percentage of effective interest held by the Group*	Principal activity
Iddy Financial Technologies Limited ("Iddy")	Hong Kong	10,522 ordinary shares	23%*	Provision of IT software services

* rounded to the nearest one percent

The following table illustrates the financial information of the Group's associate, extracted from their unaudited management accounts and reconciliation to the carrying amount recognised in the consolidated statement of financial position:

	2024 HK$'000	2023 HK$'000
Revenue, excluding other revenue	18,408	20,416
Other operating expenses	(18,813)	(23,475)
Loss from continuing operations and total comprehensive loss for the year	(405)	(3,059)

24 INTEREST IN AN ASSOCIATE (CONTINUED)

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Current assets	990	1,963
Non-current assets	319	319
Current liabilities	(3,704)	(4,271)
Net liabilities	(2,395)	(1,989)
Percentage of effective interests held by the Group*	23%	23%
Group's share of net liabilities of an associate	—	(451)
Goodwill	—	1,631
Carrying amount recognised in the consolidated statement of financial position	—	1,180

No dividend was received from an associate during the current year and previous year. The above associate also did not have any financial liabilities other than account and other payables as at 31 December 2024 and 31 December 2023 and did not incur any interest and tax expenses for the current year.

During year ended 31 December 2024, there is objective evidence of impairment towards the investment in Iddy which is in net liabilities position and continuously suffered operating loss, all of which indicate that the cost of the Group's investment in Iddy may not be recovered and an impairment loss of HK$1,180,000 was recognised.

During the period where the Group has significant influence over Fortune Origin, the Group recognised a share of its profit of HK$45,072,000 and loss on derecognition of associate of HK$19,788,000. For details, please refer to note 18(b).

These resulted in a net amount of HK$24,104,000 and presented as the "Share of results of associates, net" in the consolidated statement of profit or loss.

* rounded to the nearest one percent

25 GOODWILL AND OTHER INTANGIBLE ASSETS

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Goodwill	**14,695**	14,695
Other intangible assets	**3,294**	2,305
	17,989	17,000

Goodwill

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
At the beginning and the end of the year		
Gross carrying amount	**15,385**	15,385
Accumulated impairment	**(690)**	(690)
Net carrying amount (note (i))	**14,695**	14,695

Note:

(i) The net carrying amount of goodwill of HK$14,695,000 (31 December 2023: HK$14,695,000) relates to the CGU which is principally engaged in the dealing services for securities, futures and options contracts and the securities placing and underwriting services. For the purpose of the annual impairment testing, the recoverable amount was determined based on value-in-use, using a discounted cash flows projection, covering a detailed five-year budget plan with a post-tax discount rate of 11.02% (2023: 7.75%).

The key assumptions used in the budget plan are:

(a) revenue will be maintained at its current level throughout the five-year budget plan to financial year 2029 (2023: 2028); and

(b) gross margin will be maintained at its current level throughout the five-year budget plan.

The key assumptions have been determined based on past performance and its expectations for the market's development. The discount rate used reflects specific risks relating to the relevant businesses. Based on the above key assumptions and detailed five-year budget plan, the Group's management concluded there was no impairment to goodwill as the carrying amount of the CGU did not exceed its recoverable amount.

The Group's management is currently not aware of any foreseeable change in the above key assumptions on which the recoverable amount is based would cause the carrying amount of the CGU to exceed its recoverable amount.

25 GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)

Other intangible assets

	Development costs HK$'000	Film rights HK$'000	Mobile phone and computer applications HK$'000	Corporate membership HK$'000	Total HK$'000
At 1 January 2023					
Cost	16,946	1,774	2,665	280	21,665
Accumulated amortisation	(14,325)	(1,774)	(2,301)	—	(18,400)
Net carrying amount	2,621	—	364	280	3,265
Year ended 31 December 2023					
Opening net carrying amount	2,621	—	364	280	3,265
Additions	60	—	—	250	310
Amortisation	(939)	—	(331)	—	(1,270)
Closing net carrying amount	1,742	—	33	530	2,305
At 31 December 2023					
Cost	17,006	1,774	2,665	530	21,975
Accumulated amortisation	(15,264)	(1,774)	(2,632)	—	(19,670)
Net carrying amount	1,742	—	33	530	2,305
Year ended 31 December 2024					
Opening net carrying amount	**1,742**	**—**	**33**	**530**	**2,305**
Additions	**—**	**—**	**2,449**	**—**	**2,449**
Amortisation	**(856)**	**—**	**(604)**	**—**	**(1,460)**
Closing net carrying amount	**886**	**—**	**1,878**	**530**	**3,294**
At 31 December 2024					
Cost	**16,073**	**13**	**2,694**	**530**	**19,310**
Accumulated amortisation	**(15,187)**	**(13)**	**(816)**	**—**	**(16,016)**
Net carrying amount	**886**	**—**	**1,878**	**530**	**3,294**

Development costs represent the in-house developed securities, futures and options settlement systems; an online trading platform and a website and mobile application developed by service provider.

Mobile phone and computer applications represent the customer service platform purchased from independent application solution providers and an associate company. All amortisation is included in "depreciation and amortisation" in the consolidated statement of profit or loss.

26 OTHER ASSETS

Other assets mainly comprise long-term deposits for property and equipment, rental deposits and deposits with exchange and clearing houses.

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Deposits with exchange and clearing houses	11,817	14,622
Other deposits	3,723	6,484
	15,540	21,106

27 PROPERTY AND EQUIPMENT

	Property and equipment					
	Land and buildings HK$'000	Right-of-use assets HK$'000 (Note a)	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicle HK$'000	Total HK$'000
At 1 January 2023						
Cost	9,600	170,476	20,584	44,194	604	245,458
Accumulated depreciation	(533)	(121,684)	(18,160)	(36,072)	(473)	(176,922)
Net carrying amount	9,067	48,792	2,424	8,122	131	68,536
For the year ended 31 December 2023						
Opening net carrying amount	9,067	48,792	2,424	8,122	131	68,536
Additions	—	32,893	14,018	1,980	—	48,891
Disposal	—	—	(109)	(1,163)	—	(1,272)
Depreciation	(267)	(24,025)	(2,429)	(3,747)	(121)	(30,589)
Translation difference	—	(48)	(8)	(13)	—	(69)
Closing net carrying amount	8,800	57,612	13,896	5,179	10	85,497
As at 31 December 2023						
Cost	9,600	65,914	17,000	38,174	604	131,292
Accumulated depreciation	(800)	(8,302)	(3,104)	(32,995)	(594)	(45,795)
Net carrying amount	8,800	57,612	13,896	5,179	10	85,497
For the year ended 31 December 2024						
Opening net carrying amount	8,800	57,612	13,896	5,179	10	85,497
Additions	—	420	1,233	370	—	2,023
Disposal	—	—	—	(176)	—	(176)
Depreciation	(267)	(12,416)	(2,992)	(2,449)	(10)	(18,134)
Translation difference	—	(34)	(8)	(7)	—	(49)
Closing net carrying amount	8,533	45,582	12,129	2,917	—	69,161
As at 31 December 2024						
Cost	9,600	61,973	18,056	22,132	604	112,365
Accumulated depreciation	(1,067)	(16,391)	(5,927)	(19,215)	(604)	(43,204)
Net carrying amount	8,533	45,582	12,129	2,917	—	69,161

27 PROPERTY AND EQUIPMENT (CONTINUED)

Note:

During the year, additions to right-of-use assets were HK$420,000 (2023: HK$32,893,000). This amount primarily related to the capitalised lease payments payable under new tenancy agreements. Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 16(c) and 31, respectively.

The Group has obtained the right to use the properties as its offices through tenancy agreements. The leases typically run for an initial period of 1 to 3 years. Lease payments are usually adjusted every 3 years to reflect market rentals.

Some lease contracts include an option to renew for an additional period after the end of the initial contract term. Where practicable, the Group seeks to include in all leases such extension options exercisable by the Group to provide operational flexibility. As at 31 December 2023 and 2024, the Group assesses at the lease commencement date the likelihood of exercising the extension options, and only include those reasonably certain to be exercised in the measurement of lease liabilities.

28 BANK AND OTHER BORROWINGS

	Notes	**As at 31 December 2024 HK$'000**	As at 31 December 2023 HK$'000
Bank loans			
— Secured	(a), (b), (c)	**494,354**	453,358
Other borrowings			
— Secured	(d)	**—**	96,253
— Unsecured	(e), (f)	**173,930**	124,396
		668,284	674,007
Analysis of balances into current and non-current portions:			
— Current		**491,350**	674,007
— Non-current		**176,934**	—
		668,284	674,007

28 BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

(a) Bank loans of HK$147,149,000 (31 December 2023: HK$205,468,000) were guaranteed by the Company and secured by securities collateral pledged to the Group by margin clients of the Group with aggregate market values of HK$733,689,000 (31 December 2023: HK$514,225,000), and bear interest at floating rates ranging from 4.05% to 7.10% (31 December 2023: 6.13% to 7.12%) per annum. Specific standing authority have been obtained by the Group from the margin clients for such use over the clients' securities.

(b) Bank loans of HK$167,279,000 (31 December 2023: HK$247,890,000) were secured by equity securities, private equity fund, investment properties, shares of certain wholly-owned subsidiaries of the Company and bank deposits with total carrying amounts of HK$267,249,000 as at 31 December 2024 (31 December 2023: HK$417,469,000). These bank loans were guaranteed by a wholly-owned subsidiary of the Company and bear interest at a floating rate of HIBOR+3% (31 December 2023: HIBOR+3%) per annum.

(c) Bank loans of HK$179,926,000 (31 December 2023: Nil) were guaranteed by the Company and secured by investment properties, bank deposits and share of certain wholly-owned subsidiaries of the Company with carrying amounts of HK$816,740,000 as at 31 December 2024 (31 December 2023: Nil). These bank loans bear interest at a fixed rate of 7.25% (31 December 2023: Nil) per annum.

(d) As at 31 December 2023, a note of HK$96,253,000 was secured by listed equity securities and other receivables with total carrying amounts of HK$96,253,000 and bear interest at a fixed rate of 5.0% per annum. The note was fully settled in 2024.

(e) As at 31 December 2024, several notes of HK$173,930,000 (31 December 2023: HK$124,396,000) bear interest at fixed rates ranging from 6.5% to 9.5% (31 December 2023: 8.8% to 9.5%) per annum.

(f) Included in unsecured other borrowings were the following amounts with related parties:

	As at 31 December 2024 HK$'000
Directors	5,221
Key management personnel	10,407
	15,628

The amounts due from related parties are short-term, unsecured and bear interest at fixed rates ranging from 7.0% to 8.3% per annum.

29 ACCOUNTS PAYABLE

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Accounts payable from dealings in securities, futures and options contracts			
— Brokers and clearing houses	(a)	**7,992**	10,124
— Cash and margin clients	(a)	**1,211,203**	1,064,873
Accounts payable from other businesses			
— Clients		**1,376**	1,883
	(b), (c)	**1,220,571**	1,076,880

Notes:

(a) Accounts payable to brokers, clearing houses and cash clients are repayable on demand up to the settlement dates of their respective transactions (normally one to three business days after the respective trade dates) except for the required margin deposits received from clients for their trading of futures and options contracts. Accounts payable to margin clients are repayable on demand.

(b) No ageing analysis in respect of accounts payable is disclosed as, in the opinion of the Board, the ageing analysis does not give additional value in view of the business nature.

(c) Included in accounts payable were the following amounts with related parties:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Directors	**26,368**	17,625
Close family members of Directors	**118**	130
Key management personnel	**26**	—
	26,512	17,755

30 CONTRACT LIABILITIES

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Contract liabilities	**8,258**	4,620

30 CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities

	HK$'000
Balance at 1 January 2023	5,259
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(5,035)
Increase in contract liabilities as a result of advance consideration received from corporate finance contracts	1,959
Increase in contract liabilities as a result of advance consideration received from other contracts	2,437
Balance at 31 December 2023 and 1 January 2024	**4,620**
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(3,494)**
Increase in contract liabilities as a result of advance consideration received from corporate finance contracts	**1,046**
Increase in contract liabilities as a result of advance consideration received from asset management contracts	**4,578**
Increase in contract liabilities as a result of advance consideration received from other contracts	**1,508**
Balance at 31 December 2024	**8,258**

31 LEASE LIABILITIES

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Within 1 year	**12,054**	12,070
After 1 year but within 2 years	**12,072**	11,860
After 2 years but within 5 years	**25,590**	37,585
	37,662	49,445
	49,716	61,515

32 DEFERRED TAX

(a) Deferred tax assets and liabilities recognised

	Accelerated tax depreciation allowances HK$'000	Impairment of receivables HK$'000	Tax losses HK$'000	Changes in fair value of financial assets measured at fair value through profit or loss HK$'000	Fair value change of investment properties HK$'000	Total HK$'000
At 1 January 2023	(270)	819	165	11,508	—	12,222
Credited/(charged) to profit or loss (note 12)	(150)	252	—	2,105	—	2,207
At 31 December 2023 and 1 January 2024	**(420)**	**1,071**	**165**	**13,613**	**—**	**14,429**
Charged to profit or loss (note 12)	**(112)**	**(746)**	**—**	**—**	**(2,560)**	**(3,418)**
At 31 December 2024	**(532)**	**325**	**165**	**13,613**	**(2,560)**	**11,011**

The following is the analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Deferred tax assets	**13,675**	14,652
Deferred tax liabilities	**(2,664)**	(223)
	11,011	14,429

32 DEFERRED TAX (CONTINUED)

(b) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK$413,459,000 (31 December 2023：HK$335,247,000) due to unpredictable profit streams. The tax losses do not expire under current tax legislation.

The Group has not recognised deferred tax assets in respect of temporary differences of ECL provisions of HK$2,951,094,000 (31 December 2023：HK$3,341,910,000) and fair value loss of HK$266,315,000 (31 December 2023：HK$426,004,000) as the Group is not able to control the timing of the reversal of the temporary differences and it is not probable to have sufficient taxable profit in foreseeable future.

(c) Deferred tax liabilities not recognised

As at 31 December 2024, temporary differences relating to the undistributed profits of subsidiaries amounted to HK$164,000 (31 December 2023: HK$156,000). Deferred tax liabilities have not been recognised in respect of the tax that would be payable on distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that these profits will not be distributed in the foreseeable future.

33 SHARE CAPITAL

	Number of ordinary shares of HK one third of one cent each	HK$'000
Authorised		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**30,000,000,000**	**100,000**
Issued and fully paid		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**6,197,049,220**	**20,657**

All issued shares rank pari passu in all respects including all rights as to dividends, voting and return of capital.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 35 to the financial statements.

34 SHARE AWARD SCHEME

A restricted share award scheme ("Share Award Scheme") was adopted by the Company on 19 August 2010. The purpose of the Share Award Scheme is to recognise and motivate the contribution of certain employees and/or consultants and to provide incentives and help the Group in retaining its existing employees or consultants and recruiting additional employees or consultants and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

Pursuant to the rules of Share Award Scheme, the Board may, from time to time, at its absolute discretion select the employees and consultants as they deem appropriate for participation in the Share Award Scheme and determines the number of awarded shares to be granted. Existing shares would be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected participants. The awarded shares of the Company will be vested only after satisfactory completion of time-based targets or time-and-performance-based targets.

The Share Award Scheme is subject to the administration of the Board in accordance with the rules of Share Award Scheme. The aggregate number of awarded shares granted by the Board throughout the duration of the Share Award Scheme should not in excess of 10% of the issued share capital of the Company as at the date of its adoption. The maximum number of awarded shares which may be granted to a selected participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the date of its adoption. Any grant of the awarded shares to any directors or senior management of the Company must first be approved by the remuneration committee of the Company.

Unless terminated earlier by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years from the date of its adoption. However, the Board has the right to renew the Share Award Scheme up to three times and each time for another 5-year terms.

Movement in the number of shares held for Share Award Scheme and the awarded shares of the Company are as follows:

	Number of shares held for Share Award Scheme	Number of awarded shares
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	**51,172,002**	**—**

34 SHARE AWARD SCHEME (CONTINUED)

Pursuant to the Share Award Scheme, if there occurs an event of change in control of the Company, all the awarded shares shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the vesting date. Upon the change of the controlling shareholders as disclosed in the Company's announcement dated 26 January 2017, any unvested awarded shares at that date were vested.

As at 31 December 2024, no (31 December 2023: Nil) forfeited shares and no (31 December 2023: Nil) newly purchased shares were held by the trustee under the Share Award Scheme and would be re-granted to eligible employees in future.

During the years ended 31 December 2024 and 2023, no share awards expense was recognised as no awarded shares were vested during the years.

35 SHARE OPTION SCHEME

The company has adopted the share option scheme (the "Scheme") pursuant to the special resolution passed on 22 September 2020. The purpose of the Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, senior management, and core technical and management personnel.

At the end of the reporting period, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 141,000,000 (31 December 2023: 152,500,000), representing approximately 2.28% (31 December 2023: 2.46%) of the shares of the Company in issue as at 31 December 2024. A total of 66,000,000 (31 December 2023: 66,000,000) share options were granted to 7 Directors (31 December 2023: 7), and the remaining 75,000,000 (31 December 2023: 86,500,000) share options were granted to 11 persons (31 December 2023: 13), including the directors of certain subsidiaries of the Company and employees of the Group. HK$10.0 were paid by each grantees upon the acceptance of the share options.

The Scheme has performance targets for participants, except the independent non-executive Directors. The vesting of 30% of each tranche of the share option to the grantees (except the independent non-executive Directors) is subject to satisfaction of performance targets to be determined by the Board. The performance targets were determined with reference to, including but not limited to, the revenue contribution to the Group as a whole and of the applicable business by the grantee, the length of the service to the Group of the grantee and other key performance indicators as determined by the Board and may vary among the grantees. Besides, there is no performance target attached to the vesting of the remaining 70% of each tranche of the share options to the grantees (except the independent non-executive Directors).

35 SHARE OPTION SCHEME (CONTINUED)

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of the Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 10% of the Company's shares in issue from time to time. No options may be granted under the Scheme if this will result in the limit being exceeded.

The share options which have vested may be exercised for a period commencing from the date of the grant of the share options and expiring on the date falling 10 years from the date of the grant of the share options. The exercise price of share options granted shall be HK$0.2 per share. The share options shall be vested and become exercisable in three tranches as set out in the table below:

Tranche	**Vesting Date**	**Percentage of share options shall be vested**
First	The first trading day after 12 months from the Date of Grant	25%
Second	The first trading day after 24 months from the Date of Grant	35%
Third	The first trading day after 36 months from the Date of Grant	40%

The total number of shares issued and to be issued upon exercise of the options granted to an eligible participant in any 12-month period shall not exceed 1% of the shares of the Company in issued. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his/her close associates abstaining from voting.

The exercise price of share options granted under the Scheme shall be a price determined by the Board and shall be at least the higher of: (i) the closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant which must be a business day, and (ii) the average closing price of the shares as stated in the daily quotation sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant, and (iii) the nominal value of a share.

(Expressed in Hong Kong dollars unless otherwise indicated)

35 SHARE OPTION SCHEME (CONTINUED)

The following table disclose the movement of the share options during the years ended 31 December 2024 and 2023 of which granted under the Scheme in 2023:

			Number of share options			
Type of participant	**Date of grant**	**Exercise Price of options (per share)**	**Outstanding at 1 January 2024**	**Granted during the year ended 31 December 2024**	**Lapsed during the year ended 31 December 2024**	**Outstanding at 31 December 2024**
Executive Directors	21 July 2023	HK$0.2	53,000,000	—	—	53,000,000
Non-executive Director	21 July 2023	HK$0.2	3,000,000	—	—	3,000,000
Independent Non-executive Directors	21 July 2023	HK$0.2	10,000,000	—	—	10,000,000
Employees (note 1)	21 July 2023	HK$0.2	86,500,000	—	(11,500,000)	75,000,000
Exercisable at the end of the year			**152,500,000**	**—**	**(11,500,000)**	**141,000,000**

			Number of share options			
Type of participant	Date of grant	Exercise Price of options (per share)	Outstanding at 1 January 2023	Granted during the year ended 31 December 2023	Lapsed during the year ended 31 December 2023	Outstanding at 31 December 2023
Executive Directors	21 July 2023	HK$0.2	—	53,000,000	—	53,000,000
Non-executive Director	21 July 2023	HK$0.2	—	3,000,000	—	3,000,000
Independent Non-executive Directors	21 July 2023	HK$0.2	—	10,000,000	—	10,000,000
Employees (note 1)	21 July 2023	HK$0.2	—	86,500,000	—	86,500,000
Exercisable at the end of the year			—	152,500,000	—	152,500,000

Note 1: Total 75,000,000 (31 December 2023: 86,500,000) share options outstanding as at 31 December 2024 were granted to 11 employees (31 December 2023: 13) who are directors of certain subsidiaries and employees of the Group.

During the year ended 31 December 2024, 11,500,000 share options (2023: Nil) granted under the Scheme in 2023 lapsed upon the resignation of the employees of the Group and no share options was exercised or cancelled.

The remaining life of the share option granted on 21 July 2023 under the Scheme as at 31 December 2024 was approximately 8.5 years (31 December 2023: 9.5 years).

35 SHARE OPTION SCHEME (CONTINUED)

As of the grant date, the fair value of the share options granted was approximately HK$15,365,000 for eligible participants. The fair values were estimated as at 21 July 2023, being the date of grant, using the Binomial Option Pricing Model and taking into account the terms and conditions upon which the options were granted. The significant assumptions and inputs used in the estimation of the fair value are as follows:

Weighted average share price	HK$0.18
Exercise price	HK$0.2
Expected volatility	70.22%
Option life	10 years
Risk-free rate	3.70%
Expected dividend yield	0.00%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous years. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised the total expense of HK$7,423,000 (2023: HK$3,864,000) for the year ended 31 December 2024 in relation to share options granted by the Company under the Scheme.

36 NATURE AND PURPOSE OF RESERVES

a. Share premium and contributed surplus

Under the Bermuda Companies Act 1981, when the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to the share premium account.

The Group's contributed surplus as at 31 December 2024 comprises (a) the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the Group's reorganisation prior to the listing of the Company's shares over the nominal value of the Company's shares issued in exchange thereof of HK$2,225,000 (31 December 2023: HK$2,225,000), and (b) amounts of HK$5,282,187,000 (31 December 2023: HK$5,282,187,000) transferred from share capital and share premium account less amounts distributed as dividends in prior years.

b. Capital redemption reserve

The capital redemption reserve represents the nominal amount of the shares repurchased.

c. Exchange reserve

The exchange reserve mainly comprises the foreign exchange differences arising from the translation of the financial statements of foreign operations and associates and the share of reserves of associates.

36 NATURE AND PURPOSE OF RESERVES (CONTINUED)

d. Investment revaluation reserve (non-recycling)

The investment revaluation reserve (non-recycling) comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income under HKFRS 9 held at the end of the reporting period (see note 2.15).

e. Property revaluation reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for property and equipment which becomes an investment property because its use has changed as evidenced by end of owner-occupation in note 2.11.

The property revaluation reserve of the Company is distributable to the extent of HK$5,255,000 (31 December 2023: HK$5,255,000).

f. Shareholder's contribution

The shareholder's contribution represents contribution made by shareholders.

g. Shares held for Share Award Scheme

The Shares held for Share Award Scheme have been set up and are dealt with in accordance with the accounting policies adopted for issue of share award respectively in note 2.20.

h. Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.20 to the financial statements. The amount will be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

37 LOANS TO DIRECTORS

Loans to Directors disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

Name/Relationship with Directors	Note	At 31 December 2024 HK$'000	Maximum outstanding during the year HK$'000	At 1 January 2024 HK$'000	Margin finance facilities approved HK$'000	Securities held
Mr. LIU Jipeng		—	—	—	15,000	Marketable securities
Mr. Kenneth LAM Kin Hing		—	—	—	69,300	Marketable securities

Name/Relationship with Directors	Note	At 31 December 2023 HK$'000	Maximum outstanding during the year HK$'000	At 1 January 2023 HK$'000	Margin finance facilities approved HK$'000	Securities held
Mr. LIU Jipeng	(a)	—	11,082	14,006	15,000	Marketable securities
Mr. Kenneth LAM Kin Hing		—	—	—	69,300	Marketable securities

Note:

(a) In the year 2023, a loan granted under margin finance facilities to a Director are secured by marketable securities collateral, bear interest at Hong Kong Dollar Prime Rate plus a spread and repayable on demand. The margin loans are measured at fair value through profit or loss, no fair value loss was incurred in respect of this loan during the year ended 31 December 2023.

38 COMMITMENTS

Capital commitments

At the reporting date, the Group had the following capital commitments which were contracted, but not provided for:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Capital contributions payable to private equity funds	2,696	2,280
Property and equipment	922	1,035
	3,618	3,315

Loan commitment

At the reporting date, the Group had the following contractual amounts of loan commitment:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Other loan commitment (note)	93,000	—

Note: As at 31 December 2024, the Group agreed to make available to the borrower secured loan facilities of maximum net amount up to HK$93,000,000 for the purpose of financing its proposed privatisation.

39 RELATED PARTY TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties and connected persons during the current and previous years:

	2024 HK$'000	2023 HK$'000
Part I. Continuing connected transactions from brokerage and interest income business		
(A) Connected dealings services to connected persons (note (a))		
Directors (note (b))		
— Commission income from securities and futures dealings	57	21
— Interest income from margin financing	—	294
Directors of subsidiaries, is also a key management personnel (note (b))		
— Commission income from securities and futures dealings	11	11
— Interest income from margin financing	48	80
Directors of subsidiaries		
— Commission income from securities and futures dealings	1	2
— Interest income from margin financing	1	42
	118	450
(B) Connected margin loans to connected persons (note (a))		
Connected persons		
— Maximum daily outstanding balance of connected margin loans	9,970	19,298
Part II. Other related party transactions		
Related company — Company in which Mr. LU Zhiqiang, the former ultimate beneficial owner of the Company, is also a director of its parent company (note (c))		
— Interest income (note (d))	—	21
Fellow subsidiaries (note (c))		
— Advertising Income	—	10
— Advisory fee income	—	1
— Asset management fee income	—	306
— Interest income from financial assistance	—	113,444
— Interest income from margin financing	—	112
Associates		
— Interest income from margin financing	1,147	—
Director		
— Asset management fee income	—	19
	1,147	113,913

39 RELATED PARTY TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (CONTINUED)

	2024 HK$'000	2023 HK$'000
Related company — Company in which Mr. LU Zhiqiang, the former ultimate beneficial owner of the Company, is also a director of its parent company (note (c))		
— Custodian fee	—	54
— Interest expense (note (e))	—	2,278
Intermediate holding company (note (c))		
— Rental expenses	—	40
Fellow subsidiaries (note (c))		
— Advisory fee expense	—	147
— Insurance expense	—	113
— Interest expense from financial assistance	—	510
— Rental expenses	—	28
Director		
— Interest expense	215	—
Key management personnel		
— Interest expense	688	446
Associate		
— Articles fee	—	2
— Consultancy fee	350	600
— Rental expenses	450	405
	1,703	4,623

	2024 HK$'000	2023 HK$'000
Related company — Company in which the key management personnel of the Company, is also a director		
— Prepayments, deposits and other receivables	793	—
Key management personnel		
— Prepayments, deposits and other receivables	832	—
Associate		
— Prepayments, deposits and other receivables	—	2,761

39 RELATED PARTY TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (CONTINUED)

Notes:

(a) The income from connected transactions with Directors and directors of the subsidiaries and their close family members was based on the pricing stated in the letters stipulating the applicable service fees and interest rate for dealing services. Details of the annual caps of the connected dealings services and connected margin loans were set out in the Company's circulars dated 25 November 2021. These transactions have been approved in the special general meeting held on 17 December 2021.

(b) The transactions are also related party transactions under HKAS 24 (Revised) — Related Party Disclosures.

(c) Upon the completion of sale and purchase of certain Company's shares took place on 3 February 2023, these parties have became former related parties.

(d) Interest income of HK$21,000 for the year ended 31 December 2023 received/receivable from a former related company was in connection with demand and time deposits maintained with it during the year. The deposits are unsecured, interest-bearing at relevant deposit rates and are repayable on demand.

(e) Interest expense of HK$2,278,000 for the year ended 31 December 2023 paid/payable to a former related company was in connection with the loans granted by it during the year.

Except as disclosed above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, were entered into or subsisted at any time during financial year.

39 RELATED PARTY TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS (CONTINUED)

Compensation of key management personnel

Included in staff costs (note 9) are key management personnel compensation and comprises the following categories:

	2024 HK$'000	2023 HK$'000
Short-term employee benefits	**24,146**	22,910
Post-employment benefits	**77**	68
Share-based compensation expense — share option scheme	**4,970**	2,587
	29,193	25,565

Note: Key management personnel consists of the Directors and senior management.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include debt and equity investments, credit loans, accounts and other receivables, loans to margin clients, bank deposits, accounts and other payables and bank and other borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

a. *Foreign currency risk*

Foreign currency risk is the risk of losses due to adverse changes in foreign exchange rates mainly relating to receivables from or payables to clients and foreign brokers and foreign currency denominated investments as well as deposits with banks and borrowings from other financial institutions. To mitigate the foreign currency risk, treasury and settlement divisions work closely to manage and monitor the foreign exchange exposure arising from broking in foreign shares and commodities. The policies to manage foreign currency risk have been followed by the Group since prior periods and are considered to be effective.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

a. Foreign currency risk (Continued)

The following table summarises the Group's major financial assets and liabilities denominated in currencies other than the functional currency of the entities to which they relate, as at 31 December 2024 and 31 December 2023.

	Express in HK$'000									
	Thai Baht ("THB")	United States dollars ("US$")	Japanese Yen ("JPY")	Singapore dollars ("SGD")	Renminbi ("RMB")	British Pound ("GBP")	Euros ("EUR")	Australian Dollar ("AUD")	Others	Total
At 31 December 2024										
Financial assets not held for trading	—	132,248	3,382	—	—	—	—	—	—	135,630
Other assets	—	—	—	—	1,526	—	—	—	—	1,526
Financial assets held for trading	—	130,337	942	—	11,046	—	—	—	1	142,326
Credit loans	—	—	—	—	2,894	—	—	—	—	2,894
Accounts receivable	3	91,057	1,387	383	18,284	124	—	47	464	111,749
Deposits and other receivables	—	1,980	—	—	18	—	—	—	—	1,998
Bank balances held on behalf of clients	2,180	198,131	4,146	2,204	19,532	316	36	180	163	226,888
Cash and cash equivalents	958	45,307	695	42	3,747	751	636	519	161	52,816
Bank and other borrowings	—	(15,600)	—	—	(2,128)	—	—	—	—	(17,728)
Accounts payable	(2,180)	(249,041)	(5,004)	(2,204)	(34,754)	(392)	(36)	(180)	(473)	(294,264)
Accruals and other payables	—	(8,946)	—	(19)	(47)	—	(1)	—	—	(9,013)
Overall net exposure	961	325,473	5,548	406	20,118	799	635	566	316	354,822

	Express in HK$'000									
	Thai Baht ("THB")	United States dollars ("US$")	Japanese Yen ("JPY")	Singapore dollars ("SGD")	Renminbi ("RMB")	British Pound ("GBP")	Euros ("EUR")	Australian Dollar ("AUD")	Others	Total
At 31 December 2023										
Financial assets not held for trading	—	135,586	4,210	—	—	—	—	—	—	139,796
Other assets	—	—	—	—	940	—	—	—	—	940
Financial assets held for trading	—	231,519	—	—	—	—	—	—	—	231,519
Credit loans	—	2,135	—	—	7,518	—	—	—	—	9,653
Accounts receivable	10,121	119,776	1,329	32	18,596	105	—	112	822	150,893
Deposits and other receivables	—	2,187	—	—	5,340	—	—	—	—	7,527
Bank balances held on behalf of clients	29,518	115,571	1,944	2,226	25,450	141	3,957	37	168	179,012
Cash and cash equivalents	871	49,761	917	30	31,248	448	678	398	244	84,595
Accounts payable	(39,621)	(188,060)	(2,815)	(2,226)	(43,407)	(222)	(3,957)	(37)	(651)	(280,996)
Accruals and other payables	—	(36,379)	—	(20)	(6,665)	—	—	—	(1)	(43,065)
Overall net exposure	889	432,096	5,585	42	39,020	472	678	510	582	479,874

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

a. *Foreign currency risk (Continued)*

The following table indicates the approximate changes in the Group's profit or loss for the years ended 31 December 2024 and 2023 and equity in response to reasonably possible changes in foreign exchange rates to which the Group has significant exposure as at the reporting date. A positive number below indicates an increase in profit or a decrease in loss for the years ended 31 December 2024 and 2023 (and an increase in equity). For a decrease in profit or an increase in loss for the years ended 31 December 2024 and 2023 (and a decrease in equity), the balances below would be negative. As US$ is pegged to HK$, the Group does not expect any significant changes in US$/HK$ exchange rates. No sensitivity analysis in respect of the Group's financial assets and liabilities denominated in US$ is disclosed as in the opinion of the Directors, such sensitivity analysis does not give additional value in view of insignificant change in the US$/HK$ exchange rates as at the reporting date.

	Increase in foreign exchange rates		Effect on profit or loss		Effect on equity	
	As at 31 December 2024 %	As at 31 December 2023 %	**As at 31 December 2024 HK$'000**	As at 31 December 2023 HK$'000	**As at 31 December 2024 HK$'000**	As at 31 December 2023 HK$'000
THB	**5**	5	**48**	44	**48**	44
JPY	**5**	5	**108**	69	**277**	279
SGD	**5**	5	**20**	2	**20**	2
RMB	**5**	5	**1,006**	1,951	**1,006**	1,951
GBP	**5**	5	**40**	24	**40**	24
EUR	**5**	5	**32**	34	**32**	34
AUD	**5**	5	**28**	26	**28**	26

Decrease in the above foreign exchange rates at each reporting date would have the equal but opposite effect to the amounts shown above, on the basis that all other variables were held constant.

The sensitivity analysis has been determined by assuming that the changes in foreign exchange rates had occurred at the reporting date and that all other variables were held constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

b. Price risk

The Group is exposed to equity price risk through its investments in listed debt and equity securities which are classified as financial assets measured at fair value through profit or loss. The Directors manage this risk exposure by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arise if necessary. The policies to manage price risk have been followed by the Group since prior periods and are considered to be effective. The Group is not exposed to commodity price risk.

As at 31 December 2024, if debt and equity prices had increased/decreased by 10% (31 December 2023: 10%) and all other variables were held constant, (loss)/profit for the year would decrease/increase by approximately HK$17,572,000 (2023: HK$22,238,000) and the equity other than accumulated losses would remain unchanged (31 December 2023: unchanged).

The sensitivity analysis has been determined by assuming that the price change had occurred at the reporting date and has been applied to the Group's investments at that date. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

c. Interest rate risk

The Group is exposed to interest rate risk primarily through the impact of interest rate changes on cash and cash equivalents, pledged bank deposits, bank balances held on behalf of clients, margin loans and cash client receivables and bank and other borrowings carrying interests at variable rates.

The following table illustrates the sensitivity of the (loss)/profit for the year to a change in interest rates of +1% and –1% (31 December 2023: +1% and –1%). The calculations are based on the Group's bank balances, loans to margin clients and accounts receivable and bank and other borrowings held at each reporting date. All other variables are held constant. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
If interest rates were 1% (31 December 2023: 1%) higher		
Decrease in loss/increase in profit for the year	**6,701**	3,403
If interest rates were 1% (31 December 2023: 1%) lower		
Increase in loss/decrease in profit for the year	**(6,701)**	(3,403)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposure is primarily attributable to accounts receivable, pledged bank deposits, bank balances, credit loans and unlisted debt securities measured at amortised cost arising when the debtors, including brokers and clients from money lending services, fail to perform their obligations as at the reporting date. The Group's exposure to credit risk arising from cash and cash equivalents and bank balances held on behalf of clients is limited because the counterparties are banks and financial institution with a credit rating, for which the Group considers to have low credit risk.

In order to minimise the credit risk, loan ratios for corporate loans are based on a combination of factors, including indicative acceptable lending rates from the bankers, the quality of the assets and the Company represented by the securities, the liquidity of the securities, and the concentration level of securities held. The credit committee meets regularly and prescribes from time to time the lending limits on individual stocks and/or the credit limits for each individual client, taking into account the loan and stock concentration exposures. It also runs stress tests on loan portfolios to determine the impact on the Group's financial position and exposure. In this regard, the Directors consider that the Group's credit risk is effectively controlled and significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of counterparties and clients rather than the geographical area or industry in which these parties operate and therefore significant concentrations of credit risk arise primarily when the Group has significant exposure to individual counterparties or clients. The Group's credit risk exposure on accounts receivable is spread over a number of counterparties and clients. As at 31 December 2024, the Group's credit risk for credit loans is concentrated as the amounts are due from 20 clients (31 December 2023: 21 clients).

Further quantitative data in respect of the collaterals and the Group's exposure to credit risk arising from unlisted debt securities, credit loans and accounts receivable are disclosed in notes 19, 21 and 22 to the financial statements, respectively.

Pledged bank deposits/bank balances

The credit risk on pledged bank deposits and bank balances is considered to be low as the counterparties are reputable banks or financial institutions.

The credit policies have been followed by the Group since prior periods and are considered to be effective in limiting the Group's exposure to credit risk to a desirable level.

The following table shows reconciliations from the opening to the closing balance of the ECL provisions by class of financial instruments with significant balances as at reporting date.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk and impairment assessment (Continued)

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
Accounts receivable from dealings in securities, futures and options contracts				
Balance at 1 January 2023	1	18	11,908	11,927
Transfer to Stage 3	—	(18)	18	—
Net remeasurement of loss allowance	—	—	2,036	2,036
New financial assets originated or purchased	—	—	(1)	(1)
Financial assets that have been derecognised	(1)	—	(19)	(20)
Written-off	—	—	(8)	(8)
Balance at 31 December 2023 and 1 January 2024	**—**	**—**	**13,934**	**13,934**
Net remeasurement of loss allowance	**—**	**—**	**2,342**	**2,342**
New financial assets originated or purchased	**—**	**8**	**—**	**8**
Financial assets that have been derecognised	**—**	**—**	**(9)**	**(9)**
Written-off	**—**	**—**	**(10)**	**(10)**
Balance at 31 December 2024	**—**	**8**	**16,257**	**16,265**
Credit loans and unlisted debt securities measured at amortised cost				
Balance at 1 January 2023	1,970	—	4,563,844	4,565,814
Transfer to Stage 3	(283)	—	283	—
Net remeasurement of loss allowance	(313)	—	(34,752)	(35,065)
New financial assets originated or purchased	357	—	—	357
Unwind of discount	—	—	358,681	358,681
Written-off	—	—	(16,908)	(16,908)
Balance at 31 December 2023 and 1 January 2024	**1,731**	**—**	**4,871,148**	**4,872,879**
Transfer to Stage 2	**(357)**	**357**	**—**	**—**
Net remeasurement of loss allowance	**—**	**823**	**30,172**	**30,995**
New financial assets originated or purchased	**677**	**—**	**3,355**	**4,032**
Modification	**—**	**—**	**(9,451)**	**(9,451)**
Financial assets that have been derecognised	**(1,374)**	**(164)**	**(43,933)**	**(45,471)**
Unwind of discount	**—**	**—**	**535,612**	**535,612**
Written-off	**—**	**—**	**(145,221)**	**(145,221)**
Balance at 31 December 2024	**677**	**1,016**	**5,241,682**	**5,243,375**

The accumulated impairment losses of other receivables as at 31 December 2024 was approximately HK$24,552,000 (31 December 2023: HK$29,416,000).

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from the timing differences between settlement with clearing houses or brokers and clients. The Group's operating units are also subject to various liquidity requirements as prescribed by the authorities and financial market regulators. The Group has put in place monitoring systems to ensure it maintains adequate liquid capital to fund its business commitments and to comply with the relevant rules including the Securities and Futures (Financial Resources) Rules. As a further safeguard, the Group has maintained banking facilities to meet contingencies in its operations. The Company will also consider raising fund to meet the business operations growth which require intensive capital buffer.

The liquidity policies have been followed by the Group since prior periods and are considered to be effective in managing liquidity risks.

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 December 2024 and 2023. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on which the Group can be required to pay. The maturity analysis for other financial liabilities is prepared based on the scheduled repayment dates.

	Carrying amount HK$'000	Total contractual undiscounted cash flows HK$'000	On demand or within 1 year HK$'000	More than 1 year but less than 5 years HK$'000
At 31 December 2024				
Accounts payable	**1,220,571**	**1,220,571**	**1,220,571**	**—**
Bank and other borrowings	**668,284**	**708,421**	**514,165**	**194,256**
Lease liabilities	**49,716**	**54,018**	**13,922**	**40,096**
Accruals and other payables	**200,935**	**200,935**	**200,935**	**—**
	2,139,506	**2,183,945**	**1,949,593**	**234,352**
At 31 December 2023				
Accounts payable	1,076,880	1,076,880	1,076,880	—
Bank and other borrowings	674,007	700,653	700,653	—
Lease liabilities	61,515	68,307	14,574	53,733
Accruals and other payables	121,334	121,334	121,334	—
	1,933,736	1,967,174	1,913,441	53,733

41 FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

a. Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date

b. Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

c. Level 3 valuations: Fair value measured using significant unobservable inputs

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses its own internal expertise or engages third party qualified valuers to perform the valuation. Valuation is prepared at each interim and annual reporting date, and is reviewed and approved by the Chief Financial Officer. Discussion of the results with the Chief Financial Officer and the audit committee is held twice a year, to coincide with the reporting dates.

(a) Fair value of financial instruments measured at fair value

The following table presents financial instruments measured at fair value on a recurring basis in the consolidated statement of financial position according to the fair value hierarchy:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2024				
Financial assets held for trading				
— Listed equity securities (note (i))	180,321	8	—	180,329
— Unlisted equity securities (note (ii))	—	—	390,784	390,784
— Private equity funds (note (iii))	—	—	61,993	61,993
Loans to margin clients (note (iv))	—	610,217	—	610,217
Financial assets not held for trading				
— Unlisted equity securities (note (v))	—	—	3,382	3,382
	180,321	610,225	456,159	1,246,705
Financial liabilities measured at fair value through profit or loss				
— Accruals and other payables (note (vi))	—	48,810	45,468	94,278

41 FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value of financial instruments measured at fair value (Continued)

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 December 2023				
Financial assets held for trading				
— Listed equity securities (note (i))	222,377	3	—	222,380
— Unlisted equity securities (note (ii))	—	—	314,519	314,519
— Private equity funds (note (iii))	—	—	67,642	67,642
Loans to margin clients (note (iv))	—	547,986	—	547,986
Financial assets not held for trading				
— Unlisted equity securities (note (v))	—	—	4,210	4,210
	222,377	547,989	386,371	1,156,737
Financial liabilities measured at fair value through profit or loss				
— Accruals and other payables (note (vi))	—	18,060	63,500	81,560
— Bank and other borrowings	96,253	—	—	96,253
	96,253	18,060	63,500	177,813

There were transfers into and out of Level 3 of HK$183,558,000 and HK$267,419,000, respectively, during the year ended 31 December 2024. The transfers are attributable to changes in the classification of certain investments between financial assets measured at fair value through profit or loss and interests in associates. For details, please refer to note 18(b). Except for the above, there were no transfers between Level 1 and Level 2 during the year ended 31 December 2024. There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the year ended 31 December 2023. The Group's policy is to recognise transfers between levels of fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

Notes:

(i) The fair value of the listed equity securities has been determined by reference to their quoted bid prices at the reporting date and has been translated using the spot foreign currency rates at the end of the reporting period where appropriate.

(ii) The fair value of unlisted equity securities in Level 3 of HK$69,279,000 (31 December 2023: HK$163,878,000) have been determined by option pricing model under equity allocation approach. The option pricing model under equity allocation approach is based on main inputs, such as 100% equity value of target company through a backsolve analysis, exercise values, expected volatility of 48.43% (31 December 2023: 42.2%), risk free rate of 4.4% (31 December 2023: 3.9%) and expected time to expiration. The fair value of remaining unlisted equity securities of HK$321,505,000 (31 December 2023: HK$150,641,000) have been determined by both market approach and asset-based approach, depending on the nature of the business entities. The market approach is based on main inputs, such as marketability discount of 15.7% and control premium of 49.1%. For asset-based approach, the value is mainly based on adjusted net assets value taken into account of key adjusting factors of fair values and credit loss of underlying financial assets.

41 FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value of financial instruments measured at fair value (Continued)

Notes: (Continued)

(iii) Fair value of the private equity fund in Level 3 of HK$32,082,000 (31 December 2023: HK$38,190,000) has been determined with reference to the unadjusted net asset value of the funds. The fair value of the private equity fund in Level 3 of HK$26,811,000 (31 December 2023: HK$27,820,000) has been determined with reference to the unadjusted net asset value of the funds (31 December 2023: recent transaction with liquidity discount of 5%). The fair value of the remaining private equity funds of HK$3,100,000 (31 December 2023: HK$1,632,000) has been determined with reference to the recent transactions.

(iv) The fair value of the margin loans has been determined with reference to the market value of securities pledged by margin clients at the reporting date.

(v) As at 31 December 2024 and 2023, the fair value of the unlisted equity security of HK$3,382,000 (31 December 2023: HK$4,210,000) has been determined by using the adjusted net asset value with 10% discount.

(vi) The financial liabilities of HK$48,810,000 (31 December 2023: HK$18,060,000) represent net asset value attributable to third party interest of funds. The fair value has been determined by reference to the net asset value of the funds. The underlying investments held by the funds are all listed with unadjusted quoted prices in active markets, with immaterial assets and liabilities with unobservable prices. As at 31 December 2024 and 2023, the Group has agreed to provide corporate guarantee for any shortfall from the guaranteed amounts. The fair values of the corporate guarantee of approximately HK$45,468,000 (31 December 2023: HK$63,500,000) has been determined with reference to the adjusted net assets value of the corresponding fund.

(vii) The movement of the financial instruments measured at fair value based on significant unobservable inputs (i.e. Level 3) is as follows:

	2024 HK$'000	2023 HK$'000
Financial assets held for trading		
At the beginning of the year	382,161	347,846
Purchases	56,145	120,324
Net loss recognised in profit or loss	(69,390)	(76,744)
Reclassified from interests in associates	267,419	—
Reclassified to interests in associates	(183,558)	—
Disposals	—	(9,265)
At the end of the year	452,777	382,161
Financial assets not held for trading		
At the beginning of the year	4,210	4,210
Loss recognised in other comprehensive income	(828)	—
At the end of the year	3,382	4,210
Total net unrealised loss recognised in profit or loss for assets held at the end of the reporting period	(69,390)	(76,744)
Derivative financial instruments		
At the beginning of the year	63,500	85,000
Fair value change in profit or loss	(18,032)	(21,500)
At the end of the year	45,468	63,500

42 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group currently has a legally enforceable right to set off the Continuous Net Settlement ("CNS") money obligations receivable and trade payables with Hong Kong Securities Clearing Company Limited ("HKSCC"), which are included in "accounts receivable", "loans to margin clients" and "accounts payable" as presented in the consolidated statement of financial position, respectively. It intends to settle on a net basis as accounts payable from or accounts payable to the Stock Exchange. The net amount of CNS money obligations receivable or payable with HKSCC and guarantee fund placed in HKSCC do not meet the criteria for offsetting against each other in the financial statements and the Group does not intend to settle the balances on a net basis.

	As at 31 December 2024					
				Related amounts not set off in the consolidated statement of financial position		
	Gross amounts of recognised financial assets HK$'000	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position HK$'000	Net amounts of financial assets presented in the consolidated statement of financial position HK$'000	Financial instruments HK$'000	Cash collateral received HK$'000	Net amount HK$'000
Assets						
Accounts receivable	403,211	(142,037)	261,174	(7,507)	—	253,667
Loans to margin clients	612,733	(2,516)	610,217	—	—	610,217

	As at 31 December 2024					
				Related amounts not set off in the consolidated statement of financial position		
	Gross amounts of recognised financial liabilities HK$'000	Gross amounts of recognised financial assets set off in the consolidated statement of financial position HK$'000	Net amounts of financial liabilities presented in the consolidated statement of financial position HK$'000	Financial instruments HK$'000	Cash collateral received HK$'000	Net amount HK$'000
Liabilities						
Accounts payable	1,365,124	(144,553)	1,220,571	(7,507)	—	1,213,064

42 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	As at 31 December 2023					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
				Financial instruments	Cash collateral received	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets						
Accounts receivable	376,071	(73,799)	302,272	(2,224)	—	300,048
Loans to margin clients	552,103	(4,117)	547,986	—	—	547,986

	As at 31 December 2023					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
				Financial instruments	Cash collateral received	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Liabilities						
Accounts payable	1,154,796	(77,916)	1,076,880	(2,224)	—	1,074,656

43 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and liabilities as recognised at the reporting date may be categorised as follows. See notes 2.15 and 2.21 to the financial statements for explanations about how the category of financial instruments affects their subsequent measurement.

	31 December 2024 HK$'000	31 December 2023 HK$'000
Financial assets		
Financial assets measured at fair value through profit or loss		
— Financial assets held for trading	633,106	604,541
— Loans to margin clients	610,217	547,986
Financial assets measured at fair value through other comprehensive income		
— Financial assets not held for trading	3,382	4,210
Financial assets measured at amortised cost		
— Financial assets not held for trading	132,248	135,586
— Other assets	15,540	18,345
— Accounts receivable	261,174	302,272
— Credit loans	320,459	422,182
— Deposits and other receivables	44,516	41,571
— Bank balances held on behalf of clients	1,025,136	823,120
— Pledged bank deposits	22,700	—
— Cash and cash equivalents	156,675	122,380
	3,225,153	3,022,193
Financial liabilities		
Financial liabilities measured at amortised cost		
— Accounts payable	1,220,571	1,076,880
— Bank and other borrowings	668,284	577,754
— Accruals and other payables	152,125	103,274
— Lease liabilities	49,716	61,515
Financial liabilities measured at fair value through profit or loss		
— Accruals and other payables	94,278	81,560
— Bank and other borrowings	—	96,253
	2,184,974	1,997,236

44 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Certain subsidiaries of the Company are regulated by the Securities and Futures Commission or Hong Kong Insurance Authority. These subsidiaries are required to maintain certain minimum liquid capital, and net asset value and paid-up capital according to the Securities and Futures Ordinance and the Insurance Ordinance, respectively. Management monitors these subsidiaries' liquid capital or net asset value and paid-up capital to ensure they meet the minimum requirement in accordance with the Securities and Futures (Financial Resources) Rules or the Insurance Companies Ordinance. These externally imposed capital requirements have been complied with by the relevant group entities for the years ended 31 December 2024 and 2023.

The Group monitors its capital using a gearing ratio, which is total debts divided by total equity. For this purpose, total debts include bank and other borrowings as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratio as at the reporting date was as follows:

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Total debts	**668,284**	674,007
Net assets	**1,993,359**	2,061,415
Gearing ratio	**34%**	33%

45 ACQUISITION OF SUBSIDIARIES

Acquisition of target companies through settlement of credit loans with a former connected party

On 22 August 2023, the Company completed the settlement agreement with Quam Overseas Investments Limited (a wholly-owned subsidiary of the Company), China Oceanwide Holdings Group Co., Ltd. and Tonghai International Development Limited, pursuant to which Tonghai International Development Limited transferred the sales shares, being 100% of the issued shares of the Target Companies and the possession of the 4 Residential U.S. Properties to Quam Overseas Investments Limited in full and final settlement of all outstanding accrued interests up to the date of completion of settlement agreement and settlement of part of outstanding principal on the credit loans to China Oceanwide International Investment Company Limited, a former connected party. Accordingly, each of the Target Companies has become wholly-owned subsidiaries of the Company and each of their financial positions and performance has been consolidated into the consolidated financial statements of the Company with effect from completion of settlement agreement. Target Companies are British Virgin Islands incorporated investment holding companies and each of which is holding a residential property located in U.S. for capital appreciation. Consequentially, these properties are considered as investment properties to the Group and subject to fair value measurement.

On the date of completion of settlement agreement, the final settlement sum calculated according to the terms of the settlement agreement amounted to US$120.2 million (equivalent to approximately HK$941.9 million at an exchange rate of US$1 to HK$7.8377). As a result of the completion of the settlement agreement, all outstanding interest accrued up to the date of completion of settlement agreement and approximately HK$655.6 million of the outstanding amount of principal of the credit loans to China Oceanwide International Investment Company Limited have been settled. A gain of approximately HK$583.5 million has been recognised due to reversal of the previous provisions made on the outstanding principal and interests accrued up to 31 December 2022. The remaining outstanding principal amount of the credit loans to China Oceanwide International Investment Company Limited of approximately HK$446.1 million will remain as credit loans due from that former connected party which included in the note 21 "Credit loans" to the consolidated statement of financial position. The details of settlement of credit loans are set out in Company's circulars dated 28 June 2023 and announcement dated 23 August 2023.

The acquisition of Target Companies has been accounted for as acquisition of assets.

The effect of the acquisition is summarized as follows:

	HK$'000
Final consideration as settlement sum to credit loans with former connected party	**941,867**

	HK$'000
Aggregated assets acquired and liabilities recognised on the date of acquisition:	
Investment properties (note 23)	**960,118**
Accrual and other payables	**(18,251)**
	941,867

The acquisition-related costs of approximately HK$4 million are insignificant and included in other operating expenses.

No cash out flow arising on above acquisition of Target Companies for direct net off accrued balance of interests and partial principal outstanding of credit loans due from the respective former connected party.

46 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
ASSETS AND LIABILITIES		
Non-current assets		
Intangible assets	**530**	553
Property and equipment	**1,043**	1,798
Investments in subsidiaries	**105,254**	119,890
Financial assets measured at fair value through other comprehensive income	**3,382**	4,210
	110,209	126,451
Current assets		
Prepayments, deposits and other receivables	**3,227**	6,031
Amounts due from subsidiaries	**2,124,348**	2,179,391
Cash and cash equivalents	**12,394**	4,882
	2,139,969	2,190,304
Current liabilities		
Bank and other borrowings	**341,209**	602,660
Accruals and other payables	**51,403**	71,502
	392,612	674,162
Net current assets	**1,747,357**	1,516,142
Net assets	**1,857,566**	1,642,593
EQUITY		
Share capital	**20,657**	20,657
Reserves (note)	**1,836,909**	1,621,936
Total equity	**1,857,566**	1,642,593

Approved and authorised for issue by the Board on 25 March 2025.

On behalf of the Board

HAN Xiaosheng
Director

Kenneth LAM Kin Hing
Director

46 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Investment revaluation reserve HK$'000	Shareholder's contribution HK$'000	Shares held for Share Award Scheme HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2023	117,070	1,019	5,401,693	(18,608)	1,811	(22,798)	—	(3,492,235)	1,987,952
Special dividend approved in respective of Interim period	—	—	(68,168)	—	—	—	—	—	(68,168)
Share option expenses recognised	—	—	—	—	—	—	3,864	—	3,864
Transactions with equity holders	—	—	(68,168)	—	—	—	3,864	—	(64,304)
Net loss for the year	—	—	—	—	—	—	—	(301,712)	(301,712)
Total comprehensive loss for the year	—	—	—	—	—	—	—	(301,712)	(301,712)
At 31 December 2023	117,070	1,019	5,333,525	(18,608)	1,811	(22,798)	3,864	(3,793,947)	1,621,936

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Investment revaluation reserve HK$'000	Shareholder's contribution HK$'000	Shares held for Share Award Scheme HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2024	117,070	1,019	5,333,525	(18,608)	1,811	(22,798)	3,864	(3,793,947)	1,621,936
Share option expenses recognised	—	—	—	—	—	—	7,423	—	7,423
Transactions with equity holders	—	—	—	—	—	—	7,423	—	7,423
Net profit for the year	—	—	—	—	—	—	—	208,078	208,078
Other comprehensive loss									
— Capital distribution from investment measured at fair value through other comprehensive income	—	—	—	300	—	—	—	—	300
— Change in fair value of investment measured at fair value through other comprehensive income	—	—	—	(828)	—	—	—	—	(828)
Total comprehensive income for the year	—	—	—	(528)	—	—	—	208,078	207,550
At 31 December 2024	117,070	1,019	5,333,525	(19,136)	1,811	(22,798)	11,287	(3,585,869)	1,836,909

47 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE GROUP

Particulars of the principal subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation	Particulars of issued capital	Percentage of interests Held by the Company	Percentage of interests Held by the subsidiaries	Principal activities and place of operations
Quam Asset Management Limited	Hong Kong	Ordinary shares of HK$28,000,000	—	100	Investment adviser and asset management/ Hong Kong
Quam Capital (Holdings) Limited	Hong Kong	Ordinary shares of HK$78,260,002	100	—	Investment holding/ Hong Kong
Quam Capital Limited	Hong Kong	Ordinary shares of HK$84,000,000	—	100	Corporate finance and investment adviser/ Hong Kong
Quam Finance Limited	Hong Kong	Ordinary shares of HK$54,200,000	100	—	Finance and money lending/Hong Kong
Quam Private Equity Limited	Hong Kong	Ordinary shares of HK$1,500,000	—	100	Investment holding/ Hong Kong
Quam Securities Limited	Hong Kong	Ordinary shares of HK$2,170,000,000	—	100	Securities dealing and futures and options broking/Hong Kong
Quam Global Ventures (BVI) Limited	British Virgin Islands	1 ordinary share of US$1	—	100	Fund investments/Hong Kong
Quam Ventures (HK) Limited	Hong Kong	Ordinary shares of HK$6,000,000	—	100	Investment holding/ Hong Kong
Quam Communications Limited	Hong Kong	Ordinary shares of HK$76,520,664	—	100	Investment holding/ Hong Kong
Quam.net Financial Media Limited	Hong Kong	Ordinary shares of HK$6,000,000	—	100	Website management and other related services/Hong Kong
Global Alliance Partners Funds SICAV — Quam Plus Greater China UCITS Fund	Luxembourg	N/A	—	70	Investment in securities/Hong Kong
Honour Smart Investments Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	—	100	Investment holding/ U.S.
King Domain Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	—	100	Investment holding/ U.S.
Delight Wise Investments Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	—	100	Investment holding/ U.S.
Sheen Grace Investments Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	—	100	Investment holding/ U.S.

(Expressed in Hong Kong dollars unless otherwise indicated)

47 PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE GROUP (CONTINUED)

The above table lists the material subsidiaries of the Company which, in the opinion of the Directors, principally contribute the results for the year or hold a substantial portion of assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

48 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards — Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is currently accessing the possible impact of the above new and revised standards in the period of initial application. The Group has considered that the adoption of these amendments are unlikely to have a material impact to the Group's consolidated financial statements.

49 EVENTS AFTER THE REPORTING PERIOD

The Group announced on 23 January 2025 and entered into the share repurchase agreement with the buyer and completed the disposal of 11,739,128 issued class B ordinary shares of an unlisted equity investment at a consideration of US$8,827,000 (equivalent to HK$68,848,000) of which represented approximately 1.19% of the total issued shares of the respective unlisted equity investment as at 23 January 2025. The proceeds was received and used to repay one of the secured bank loans.

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, and reclassified as appropriate, is set out below.

	2024 HK$'000	2023 HK$'000	2022 HK$'000 (Restated)	2021 HK$'000 (Restated)	2020 HK$'000
RESULTS					
Revenue	413,551	345,654	(27,884)	913,784	1,104,615
Other (loss)/income, net	(177,350)	159,880	(73,417)	15,110	15,902
Direct costs	(73,421)	(93,739)	(103,824)	(141,838)	(165,747)
Staff costs	(159,477)	(173,833)	(165,883)	(186,178)	(255,215)
Depreciation and amortisation	(19,594)	(31,859)	(41,940)	(45,807)	(48,243)
Gain/(loss) on fair value change of investment properties	8,580	(42,120)	—	—	—
ECL net reversal/(charges)	21,247	61,954	(1,066,478)	(2,638,566)	(372,627)
Finance costs	(52,388)	(49,373)	(50,355)	(62,442)	(109,824)
Other operating expenses	(51,301)	(57,999)	(53,841)	(55,325)	(53,662)
Share of results of associates, net	24,104	(694)	(556)	526	(206)
Share of results of joint ventures, net	—	—	—	1,552	(1,873)
(Loss)/profit before tax	(66,049)	117,871	(1,584,178)	(2,199,184)	113,120
Tax (expense)/credit, net	(7,318)	1,666	514	(61,393)	(9,870)
Net (loss)/profit attributable to equity holders of the Company	(73,367)	119,537	(1,583,664)	(2,260,577)	103,250

Five-Year Financial Summary

	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000	As at 31 December 2022 HK$'000	As at 31 December 2021 HK$'000	As at 31 December 2020 HK$'000
ASSETS AND LIABILITIES					
Total assets	**4,189,276**	4,064,012	4,678,087	6,841,285	9,944,397
Total liabilities	**(2,195,917)**	(2,002,597)	(2,666,481)	(3,244,490)	(4,053,180)
	1,993,359	2,061,415	2,011,606	3,596,795	5,891,217

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