時富金融
CFSG

2024 Annual Report

CASH Financial Services Group Limited
(Stock Code: 510)

Empower Your Wealth with Our Talent

Contents

CORPORATE PROFILE

CFSG – Culture of Excellence

Headquartered and listed in Hong Kong (SEHK: 510), CASH Financial Services Group ("CFSG") is committed to managing wealth and asset inheritance for our clients over the past 50 years. Our culture of excellence drives our ongoing focus on sustainable growth, integrity and innovation, serving a diversified client base that includes corporations, financial institutions and individual investors.

Full-Licensed Operations, Providing Comprehensive Financial and Wealth Management Services

Established in 1972, CFSG is one of few full-licensed Hong Kong financial services institutions currently holding SFC Type 1, 2, 4 and 9 licenses. Providing comprehensive financial and wealth management services, CFSG is also a licensed money lender in Hong Kong, a licensed insurance broker registered with the Hong Kong Insurance Authority, a licensed Trust or Company Service Provider, and a Principal Intermediary registered with the Hong Kong Mandatory Provident Fund Authority.

From Hong Kong's Firm Foothold to Serve Well as the Hub Connecting the Domestic and Global Markets

CFSG is branching out beyond firm foundations in Hong Kong to serve well as the hub connecting the domestic and global markets. Wealth management centres are established in Hong Kong, Shanghai, Shenzhen and Qingdao, with more centres and strategic alliances planned in the three major national economic development areas: the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and the Bohai Rim, to provide even more comprehensive wealth management and financial services to individuals and financial institutions.

At Forefront of FinTech, Innovating Financial Services

CFSG has always been a pioneer in FinTech development, investing heavily in groundbreaking innovations that reshape the financial services industry. Since becoming the first financial institution in Hong Kong to provide online securities and futures trading services in 1998, CFSG has been adopting advanced technology solutions to meet the growing demand in investment services. In recent years, CFSG launched a cutting-edge mobile trading app, Alpha i with the aim of enhancing the user experience and service quality. The new digital platform provides FinTech services to a new generation of tech-savvy and mobile-driven millennial investors. As a wealth management expert, CFSG will integrate different advantages of traditional and new financial assets to develop a full range of wealth management business, providing our clients with more choices and promoting the development of Hong Kong into an international FinTech centre.

Professional Management with Wide Range of Expert Experience

CFSG's management team has extensive experience of the regional regulations and regulated activities in Hong Kong, Mainland China and global markets; comprising highly educated, qualified professionals in various financial services specialties. Group businesses are managed by responsible officers and representatives of these regulated activities under different established regulators.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

KWAN Pak Hoo Bankee	(Chairman, ED & CEO)
KWAN Teng Hin Jeffrey	(ED & Deputy CEO)
CHEUNG Tsz Yui Morton	(ED & CFO)
WONG Sze Kai Angela	(ED)
LAI Wai Kwong Daryl	(ED)

Independent Non-executive:

CHENG Shu Shing Raymond
LO Ming Chi Charles
CHAN Ho Wah Terence

AUDIT COMMITTEE

CHENG Shu Shing Raymond (committee chairman)
LO Ming Chi Charles
CHAN Ho Wah Terence

REMUNERATION COMMITTEE

CHENG Shu Shing Raymond (committee chairman)
LO Ming Chi Charles
KWAN Pak Hoo Bankee

NOMINATION COMMITTEE

KWAN Pak Hoo Bankee (committee chairman)
CHENG Shu Shing Raymond
LO Ming Chi Charles

COMPANY SECRETARY

CHEUNG Suet Ping Ada, *ACG, HKACG, CPA, FCCA*

AUTHORISED REPRESENTATIVES

KWAN Pak Hoo Bankee
(alternate: KWAN Teng Hin Jeffrey)
CHEUNG Tsz Yui Morton
(alternate: CHEUNG Suet Ping Ada)

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
Bank of Communications Co. Ltd., Hong Kong Branch
OCBC Wing Hang Bank, Limited
The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Chong Hing Bank Limited
The Bank of East Asia, Limited
Shanghai Commercial Bank Ltd.

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

Sidley Austin

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

22/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.cfsg.com.hk

STOCK CODE ON MAIN BOARD

510

CONTACTS

Telephone	:	(852) 2287 8788
Facsimile	:	(852) 2287 8700

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

In 2024, global financial markets encountered major challenges that led to higher inflation and increased market volatility. Trade tensions, particularly between China and the U.S., disrupted global trade flows and drove up costs, further impacting financial markets worldwide. All these headwinds compounded to make 2024 a transformative year for Hong Kong's financial services sector, testing resilience across the markets.

Navigating Challenges, Seizing Opportunities

Yet, amidst persistent inflation, rising interest rates, and market volatility, opportunities have emerged, and CFSG has risen to the challenge. Leveraging Hong Kong's position as a global financial hub and its strategic proximity to mainland China, CFSG has made significant strides in expanding its market presence, enhancing client services, and driving innovation.

Our new office in Qingdao strengthened our presence across China's key economic regions, including the Greater Bay Area, Yangtze River Delta, and Bohai Rim. This milestone reinforced our ability to meet the needs of high-net-worth clients in rapidly growing markets.

During the year, we upgraded our trading platform, integrating it with back-office systems to streamline operations and enhance the client experience. This allowed us to reinvest in high-growth areas, ensuring we remain ahead of market trends.

Through investment seminars, digital campaigns, and participation in prominent events like Hong Kong FinTech Week, we expanded our client base and deepened engagement. Our efforts also earned us recognition, including the "Best Financial Service Award in the Greater Bay Area."

Our External Asset Management (EAM) division achieved significant growth, with surges in both client numbers and assets under management, while our insurance division delivered record-breaking first-year and total premiums. These accomplishments reflect our ability to meet evolving client needs and deliver exceptional value.

CFSG also played a vital role in the revitalising Hong Kong's IPO market as a joint lead manager and underwriter for Horizon Robotics' IPO, the second-largest in the city in 2024. This achievement underscores our expertise and ability to deliver value in an evolving market landscape.

Forward-looking with Vision, Innovating for Long-term Growth

Looking ahead, we see both challenges and opportunities. While global trade tensions persist, we are encouraged by China's proactive stimulus measures and the expansion of initiatives like the Wealth Management Connect Scheme.

At CFSG, we are committed to innovation. To pioneer in AI-based investment solutions, we have launched a research initiative to integrate artificial intelligence into investment decision-making. This cutting-edge platform will empower clients with real-time insights for global asset allocation and tactical security selection, offering a seamless and advanced investment experience.

With a strong foundation in place, CFSG is well-positioned to continue its sustainable growth. We remain committed to delivering innovative products and services that meet the diverse needs of our clients while maintaining an unwavering dedication to excellence.

CHAIRMAN’S LETTER

Looking to the Future

Looking ahead to 2025, the U.S.’s tariff policy has severely disrupted global trade, prompting retaliatory measures from major economies. These actions have escalated trade tensions, increasing the risk of a broader trade war and reversing years of progress in multilateral trade. The policy undermines global trade stability, weakens international partnerships, and creates widespread economic uncertainty, potentially taking a toll on global GDP growth.

The Group remains cautiously optimistic about the economic landscape in the year ahead. We will stay vigilant in managing costs while seizing opportunities to grow our market share by enhancing the Group’s resilience and agility to adapt to market changes.

None of this would be possible without the dedication and hard work of our incredible team. I extend my heartfelt gratitude to our staff for their perseverance and commitment during this challenging year. At CASH, we firmly believe that “People make the difference,” and together, we will continue to build a stable, sustainable future. With confidence, resilience, and a clear vision for the future, we are ready to embrace the opportunities ahead.

Yours sincerely,

Dr Bankee P. Kwan, ***BBS, JP***
Chairman & CEO

FINANCIAL REVIEW

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

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

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

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

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

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

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

Impairment Allowances

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

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

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

FINANCIAL REVIEW

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

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

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

Liquidity and Financial Resources

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

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

Foreign Exchange Risks

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

FINANCIAL REVIEW

Material Acquisitions and Disposals

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

Fund Raising Activities

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

Capital Commitments

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

Material Investments

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

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Revenue

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

Key Financial Metrics

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL SERVICES BUSINESS – CFSG

Market Overview

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

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

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

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

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

Business Review

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

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

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

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

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

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

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

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

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

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

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

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

ESG

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

ALGO TRADING BUSINESS – CAFG

Market Overview and Business Environment

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

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

Business Review

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

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

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

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

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

Business Development

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

Outlook

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

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

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

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

EMPLOYEE INFORMATION

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

BENEFITS

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

TRAINING

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Bankee Pak-hoo KWAN, *BBS, JP*

Chairman, ED & CEO

DBA(Hon), MBA, BBA, FFA, FHKSI, CPM(HK), FHKIM

Dr Kwan, aged 65, joined the Board on 11 August 2000. He is responsible for devising the overall business strategy of the Group. Dr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. An MBA graduate from The Murdoch University of Perth, Australia and a BBA graduate from The Chinese University of Hong Kong, Dr Kwan was also conferred an Honorary Doctorate degree in Business Administration. Dr Kwan is also a fellow of the Institute of Financial Accountants, UK, the Hong Kong Securities and Investment Institute and the Hong Kong Institute of Marketing (HKIM). He is a Certified Professional Marketer (HK) of HKIM. He was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government and is a Justice of Peace (JP) of the HKSAR.

Dr Kwan is a firm believer in youth education and development. He is a John Harvard fellow of The Harvard University, US; a member of the Harvard University Asia Center Advisory Committee; a trustee of New Asia College of The Chinese University of Hong Kong; an honorary fellow of The Hong Kong Metropolitan University; a member of the Court of City University of Hong Kong, an Adjunct Professor of The Hang Seng University of Hong Kong, an honorary director of the Pan Sutong Shanghai-Hong Kong Economic Policy Research Institute (PSEI) and a member of the Advisory Board on Business Studies of Lingnan University of Hong Kong, and an advisory professor and an honorary member of the Board of Trustees of Nanjing University. Dr Kwan is also an honorary advisor of several higher education institutions, including the LiPACE of The Hong Kong Metropolitan University and the Academy of Oriental Studies of Peking University.

In addition to education, Dr Kwan is also active in serving the community. Currently, he is a member of the 14th National Committee of the Chinese People's Political Consultative Conference (CPPCC); a standing committee member and vice convener (Hong Kong and Macao Members) of the 10th to 14th CPPCC, Shanghai Committee; the chairman and past deputy chairman of the Business Facilitation Advisory Committee (BFAC) and also the convenor of the Wholesale and Retail Task Force (WRTF) of BFAC; the chairman of the Mandatory Provident Fund Schemes Advisory Committee (MPFSAC) and a former non-executive director of the MPF Authority; the president of Federation of Hong Kong– Shanghai Associations; a member of the 5th Council of the China Overseas Friendship Association; a member of the Election Committee for the Fourth, the Fifth and the Sixth Term of the Chief Executive Election of the HKSAR; a director, an executive committee member, past honorary advisor and past chairman of the Hong Kong Retail Management Association (HKRMA); a member of the Securities and Futures Appeals Tribunal (SFAT); a member of the Process Review Panel for the Securities and Futures Commission; a member of the Labour Advisory Board of the HKSAR; a member of the Marketing Management Committee of the Hong Kong Management Association (HKMA); a director of the Hong Kong Justice of Peace Association. Dr Kwan has also been an honorary advisor of Hong Kong Small and Medium Enterprises Association, a member of the Central Policy Unit of the Government of the HKSAR and an honorary advisor of the CEPA Business Opportunities Development Alliance.

In December 2009, Dr Kwan was named "Entrepreneur of the Year 2009" in the Asia Pacific Entrepreneurship Awards as organised by Enterprise Asia, which recognised his outstanding entrepreneurial success and significant contributions to economic life and society. In April 2016, Dr Kwan was named "Man of the Year for Leadership in Asia" by IAIR, the world's leading financial magazine. The annual IAIR Awards recognise outstanding professionals who actively promote excellences in innovation and sustainability. In August 2018, he was bestowed with the "World Outstanding Chinese Award" organised by World Chinese Business Investments Foundation, which recognised his great contribution to the global Chinese society. In December 2019, The Hang Seng University of Hong Kong bestowed the "Junzi Entrepreneur Award" on Dr Kwan, recognising his continuous contribution to the society of Hong Kong.

Dr Kwan is the controlling Shareholder of the Company, a member of the Remuneration Committee and the chairman of the Nomination Committee. He is also an executive director, chairman and chief executive officer of CASH, as well as a member of the remuneration committee and the chairman of the nomination committee of CASH. He is the father of Mr Kwan Teng Hin Jeffrey (executive director and deputy chief executive officer of the Company and executive director of CASH).

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Jeffrey Teng-hin KWAN

ED & Deputy CEO

BA, MHKSI

Mr Kwan, aged 35, joined the Board on 12 June 2017. He is in charge of the strategic and corporate development of the Group. He has extensive experience in the fields of financial technology, corporate and strategic management, private equity and investment management. Mr Kwan received a Bachelor of Arts Degree in Psychology from The Johns Hopkins University, US. He is a member of the Hong Kong Securities and Investment Institute. He is the son of Dr Kwan Pak Hoo Bankee (the chairman, executive director and chief executive officer of the Company and CASH). Mr Kwan is also an executive director of CASH.

Morton Tsz-yui CHEUNG

ED & CFO

BBA, CPA

Mr Cheung, aged 39, joined the Board on 10 January 2024. He oversees the finance and treasury function of the Group. He has extensive experience in the fields of auditing, financial reporting, investment banking and corporate finance. Mr Cheung received a Bachelor of Business Administration (Professional Accountancy) Degree from The Chinese University of Hong Kong. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr Cheung is also an executive director and chief financial officer of CASH.

Angela Sze-kai WONG

ED

EMBA, BA, CFA

Ms Wong, aged 57, joined the Board on 11 July 2022. She leads the investment management business, including strategic and fund product development, to align with the Group's overall wealth management direction. She has over three decades of experience in financial services, focusing on investment and wealth management business in North America, Hong Kong, and Mainland China. Ms Wong received a Bachelor of Arts Degree from York University, Canada, and an Executive MBA Degree from Tsinghua University, China. She holds the Chartered Financial Analyst designation from the CFA Institute in the US. She is a responsible officer of CASH Asset Management, CASH Wealth Management and CASH Algo Finance Group Limited.

Daryl Wai-kwong LAI

ED

MBA, BBA

Mr Lai, aged 62, joined the Board on 29 December 2023. He oversees the strategic and business development of the Group. He has extensive experience in marketing and general management, especially in the fields of wealth management and banking, and in both debt and equity capital markets in Hong Kong and Mainland China. He has also held senior management positions in international banks and an SFC-licensed financial institution of a Mainland State-owned Enterprise. Mr Lai received a Master of Business Administration Degree from Chaminade University of Honolulu, US, and a Bachelor of Business Administration Degree from University of Hawaii, US. He is a responsible officer of Celestial Securities, CASH Wealth Management and CASH Asset Management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Raymond Shu-shing CHENG

INED

Mr Cheng, aged 69, joined the Board on 18 September 2002. Mr Cheng has extensive experience in watch manufacturing industry and is the managing director of a watch manufacturing and trading company in Hong Kong. He is an honorary fellow of The Professional Validation Centre of Hong Kong Business Sector and a member of Young Industrialists Council Ltd. He is the chairman of The Hospital Authority New Territories West Cluster Hospitals Charitable Trust and is a member of the Medical Development Sub-committee of the Hospital Governing Committee of Tuen Mun Hospital. Mr Cheng was the winner of The Young Industrialist Awards for the year 1992, a member of The Watches and Clocks Advisory Committee of Hong Kong Trade Development Council, the president of the Lions Club of Tuen Mun and the President of Love U All Charitable Foundation. He was the chairman of The Federation of Hong Kong Watch Trades and Industries Limited, and is currently an advisor of the Federation, a Principal Honorary President as elected by the Federation and the chairman of The Federation of Hong Kong Watch Trades and Industries Charitable Trust. Mr Cheng is also the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Charles Ming-chi LO

INED

CPA(Aus), FFSI

Mr Lo, aged 75, joined the Board on 27 October 2008. Mr Lo has extensive professional and business experience in financial and investment services in Australia, Hong Kong and other Asian countries. He is a Certified Practising Accountant of the CPA Australia, and a fellow member of the Financial Services Institute of Australasia. Mr Lo is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr Lo resigned as an independent non-executive director, chairman of the audit committee, member of the remuneration committee and the nomination committee of Carrianna Group Holdings Company Limited (stock code: 126), a company listed on the Main Board of the Stock Exchange, on 3 December 2024.

Terence Ho-wah CHAN

INED

PhD(Econ), MSc(Real Estate), FCPA(Aus), FRICS, CFA, CFT

Dr Chan, aged 54, joined the Board on 8 June 2023. Dr Chan holds a Doctor of Philosophy Degree in Economics and a master's degree in Real Estate, and he also possesses professional fellow membership of CPA Australia and Royal Institute of Chartered Surveyors as well as the professional designation of Chartered Financial Analyst and Certified Financial Technologist. Dr Chan has 30 years of experience in real estate and infrastructure investment and financing and capital operation of listed companies. Dr Chan is currently the chairman of Bay Area Capital Partners Limited and an Adjunct Professor in the Department of Real Estate and Construction of the University of Hong Kong. Dr. Chan is the chairman of ESG & Sustainable Investment Committee of Hong Kong Independent Non-Executive Director Association, a member of the Mainland Opportunities Committee of Financial Service Development Council, a member of the Greater Bay Area Committee of CPA Australia, and the vice-chairman of the Hong Kong Education University Council. Dr Chan is a standing committee member of the 14th Shanghai Committee of the Chinese People's Political Consultative Conference. He is also a member of the Chinese Association of Hong Kong & Macao Studies of the State Council, deputy president of the Federation of Hong Kong-Shanghai Associations, the chairman of Shanghai HK Association, and a member of the 2021 Election Committee of the HKSAR. He has been appointed as a member of HKTDC Infrastructure Development Advisory Committee and Vice Chairman of the Security and Guarding Services Industry Authority of the Security Bureau since 2022. Dr Chan is also a member of the Audit Committee. Dr Chan is an independent non-executive director, the chairman of the remuneration committee, a member of the audit committee and nomination committee of Wang On Properties Limited (stock code: 1243), a company listed on the Main Board of the Stock Exchange. Dr Chan has been appointed as an independent non-executive director of Shanghai Industrial Urban Development Group Limited (stock code : 563), a company listed on the Main Board of the Stock Exchange, on 15 July 2024.

SENIOR MANAGEMENT

Alfred Ka-chun MA

Managing Director, CASH Algo Finance Group

PhD, MPhil, BSc, CIPM, ASA, PRM, CFA

Dr Ma, aged 45, joined the Group in December 2021. He is in charge of research and development for algorithmic trading and data analytics. He has extensive experience in the field of financial engineering and algorithmic trading. Dr Ma received a Doctor of Philosophy Degree in Operations Research from the Columbia University, US, a Master of Philosophy Degree in Mathematics and a Bachelor of Science Degree in Mathematics from The Chinese University of Hong Kong. He is a holder of Certificate in Investment Performance Measurement from the CFA Institute, US, an associate of the Society of Actuaries, US and a Professional Risk Manager of The Professional Risk Managers' International Association, US. He is also a Chartered Financial Analyst and a responsible officer of Celestial Commodities Limited, CASH Wealth Management, CASH Asset Management and CASH Algo Finance Group Limited.

Roland Peng SONG

Chief Executive Officer, Wealth Management

MBA, BIT

Mr Song, aged 44, joined the Group in April 2024. He oversees the wealth management business of the Group in Hong Kong and Mainland China. He has extensive experience in family office, asset management, investment and wealth management businesses in China. Mr Song received a Master of Business Administration Degree from Lawrence Technological University, US and a Bachelor of International Trade Degree from the University of British Columbia, Canada.

Ryan Wai-kit NG

Deputy Chief Operating Officer

BA, MHKSI

Mr Ng, aged 40, joined the Group in May 2022. He is in charge of the overall administrative and operational functions of the Group. He has extensive experience in the fields of operations management, compliance and risk management. Mr Ng received a Bachelor of Arts Degree in Business from The Hong Kong Polytechnic University. He is a voting member of Hong Kong Securities Association. He is also a member of the Hong Kong Securities and Investment Institute and a responsible officer of Celestial Securities, Celestial Commodities and CASH Wealth Management.

Hilda Ying-ying HUANG

Director of Corporate Development

MSc, BSc

Ms Huang, aged 40, joined the Group in May 2011. She is responsible for the FinTech project management of the Group. She has extensive experience in mobile trading and mobile technology. Ms Huang received a Master of Science Degree in Electronic Business Management from The University of Warwick, UK and a Bachelor of Science Degree in Business Management and Business Information Technology from The University of Gloucestershire, UK.

Daniel King-tak HO

Divisional Head of WealthTech

BSc

Mr Ho, aged 50, joined the Group in October 1999. He is in charge of the overall business development and operation of the WealthTech business of the Group. He has extensive experience in the fields of information technology infrastructure. Mr Ho received a Bachelor of Science Degree in Mathematics from The Hong Kong University of Science and Technology.

Ada Suet-ping CHEUNG

Company Secretary

ACG, HKACG, CPA, FCCA

Ms Cheung, aged 52, joined the Group in August 2021. She is in charge of the company secretarial matters of the Group. She has extensive listed company secretarial experience. She is an associate of The Chartered Governance Institute, UK and The Hong Kong Chartered Governance Institute, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. In addition to taking the role as company secretary of the Company, Ms Cheung is also the company secretary of CASH.

Carrie Chiu-mei LAW

Director, Human Resources & Administration

BBA, MHKIHRM

Ms Law, aged 51, joined the Group in August 2001. She is in charge of the human resources and administrative functions of the Group. She has extensive experience in human capital management, including strategic human resources planning, talent management, succession planning and human resources measurements. She is also experienced in managing human resources and administrative operations across regional offices. Ms Law received a Bachelor of Business Administration (Hons) Degree in Human Resources Management from the Hong Kong Baptist University. She is a professional member of Hong Kong Institute of Human Resources Management. She is also appointed as Assessor for the Recognition of Prior Learning Scheme with Vocational Training Council. Ms Law is also the Director of Human Resources & Administration of CASH.

CORPORATE GOVERNANCE REPORT

The Directors of the Company have adopted various policies to ensure compliance with the code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules. For the year ended 31 December 2024, the Company has complied with all the code provisions of the CG Code, except for the following deviations:

(1) Pursuant to code provision C.2.1, the role of chairman and chief executive should be separate and should not be performed by the same individual. Dr Kwan, the Chairman and ED of the Board also acted as CEO of the Company during the underlying year. Details were mentioned in the section of "Chairman and Chief Executive Officer".

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

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

CULTURES AND VALUES

A healthy corporate culture across the Group is integral part to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

Integrity and code of conduct

The Group strives to maintain high standard of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the relevant standards and requirements are set out in the relevant materials to staff and policies such as the Group's employee handbook, the anti-corruption policy and whistle-blowing policy of the Group.

Commitment

The Group believes that the culture of commitment to staff development, workplace health and safety, work-life balance and sustainability are the key elements for staff engagement with the Group's mission. The Group is committed to provide a safe, healthy and family-friendly workplace to staff so as to attracts, develops and retains the best talents and delivered the highest quality of work.

CORPORATE GOVERNANCE REPORT

THE BOARD COMPOSITION

The Board currently comprises five EDs and three INEDs. The Directors during the year and up to the date of this annual report were:

Executive Directors
Kwan Pak Hoo Bankee
Kwan Teng Hin Jeffrey
Cheung Tsz Yui Morton *(was appointed on 10 January 2024)* (Note)
Wong Sze Kai Angela
Lai Wai Kwong Daryl
Chan Ching Wan Alpha *(resigned on 1 January 2024)*
Law Hin Ong Trevor *(resigned on 10 January 2024)*

Independent Non-executive Directors

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

The biographies of the Directors are set out from pages 14 to 17 of this annual report under the "Board of Directors and Senior Management" sections.

The board possess the skills, experience and expertise either in the same industry or relevant to the management of the business of the Group. The Board of which over one third of the Board members are INEDs, thereby promoting critical review and control of the management process. The INEDs will also share their valuable impartial view on matters to be discussed at the board meetings.

Note:

Mr Cheung Tsz Yui Morton was appointed as ED on 10 January 2024. In compliance with Rule 3.09D of the Listing Rules, Mr Cheung obtained the legal advice referred to in Rule 3.09D on 8 January 2024, and he has confirmed that he understood his obligations as a Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

The INEDs are all professionals with well recognised experience and expertise in professional and/or accounting fields who provide valuable advice to the Board. They are appointed for a term of 1 year and are subject to retirement from office and re-election at the AGM every year. The Company has received a confirmation of independence from each of the INEDs. The Board considers each of them to be independent by reference to the factors as set out in Rule 3.13 of the Listing Rules. The INEDs have been expressly identified as such in all corporate communications of the Company that disclose the names of the Directors.

INDEPENDENT VIEWS

The Company has maintained a mechanism to ensure that independent view and input are available to the Board. The mechanism includes:

– Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive directors, for appointment as Directors.

– Nomination Policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.

– For independent non-executive directors ("INED(s)"):

  (i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the Listing Rules;

  (ii) Each INED has to declare his/her past or present financial or other interests in the Group's business as soon as practicable, or his/her connection with any of the Company's connected persons (as defined in the Listing Rules), if any;

  (iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.

– The Nomination Committee will assess the independence of INEDs and review the INEDs' annual confirmations on their independence.

– Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.

– A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company's expense.

The implementation and effectiveness of the mechanism are reviewed by the Board on an annual basis.

ROLES AND RESPONSIBILITIES OF THE BOARD AND THE SENIOR MANAGEMENT

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review of corporate and financial policies and the oversight of management of the Group's business and affairs. Apart from these, the Board reserved for its consideration and decision on major acquisitions and disposals, review of interim and annual financial results, appointments and removals of directors and auditors, the evaluation on the performance and compensation of senior management, any material capital transactions and other significant operational and financial affairs. With a view to maintaining an appropriate balance between authority and responsibility, such functions are either carried out directly by the Board or indirectly through various committees established by the Board, with respective functions set out in their written terms of reference.

The Management is led by the EDs of the Board and has delegated powers and authorities to carry out the day-to-day management and operation of the Group; formulate business policies and make decision on key business issues; and exercise power and authority delegated by the Board from time to time. The Management assumes full accountability to the Board for the operation of the Group.

RELATIONSHIP BETWEEN THE BOARD MEMBERS

Dr Kwan Pak Hoo Bankee (the Chairman, ED and CEO of the Company) is the father of Mr Kwan Teng Hin Jeffrey (ED and deputy CEO of the Company). Save as disclosed herein, none of the members of the Board has any relationship (including financial, business, family or other material/relevant relations) between each other.

INDUCTION, SUPPORT AND PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Directors received regular updates and presentation on changes and developments to the Group's business and on the latest developments in the law, rules and regulations relating to Directors' duties and responsibilities. A newly appointed Director will receive a comprehensive induction package covering the statutory and regulatory obligations of Directors. Directors' training is an ongoing process. All Directors are encouraged to attend training sessions including but not limited to seminars (including online webinars), briefings, conference forums and workshop and reading materials to enrich their knowledge in discharging their duties as a director.

To summarise, the Directors received trainings on the following areas to update and develop their skills and knowledge during the year under review:–

Name of Directors	Training on corporate governance, regulatory development and other relevant topics
Kwan Pak Hoo Bankee	✓
Kwan Teng Hin Jeffrey	✓
Cheung Tsz Yui Morton *(was appointed on 10 January 2024)*	✓
Wong Sze Kai Angela	✓
Lai Wai Kwong Daryl	✓
Law Hin Ong Trevor *(resigned on 10 January 2024)*	N/A
Chan Ching Wan Alpha *(resigned on 1 January 2024)*	N/A
Cheng Shu Shing Raymond	✓
Lo Ming Chi Charles	✓
Chan Ho Wah Terence	✓

There is a procedure agreed by the Board to ensure the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Directors confirmed that they have complied with the code provision C.1.4 of the CG Code during the year.

DIRECTORS' INSURANCE

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

CORPORATE GOVERNANCE REPORT

DIRECTORS' ATTENDANCE AND TIME COMMITMENT

The attendance record of the Directors at the following meetings during the year is set out below:

	Meetings attended/held					
Name of Directors	**Executive Committee Meeting**	**Full Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**
EDs						
Kwan Pak Hoo Bankee	10/10	6/6	N/A	2/2	2/2	1/1
Kwan Teng Hin Jeffrey	10/10	6/6	N/A	N/A	N/A	1/1
Cheung Tsz Yui Morton *(appointed on 10 January 2024)*	10/10	6/6	N/A	N/A	N/A	1/1
Wong Sze Kai Angela	9/10	6/6	N/A	N/A	N/A	1/1
Lai Wai Kwong Daryl	10/10	6/6	N/A	N/A	N/A	1/1
Law Hin Ong Trevor *(resigned on 10 January 2024)*	N/A	N/A	N/A	N/A	N/A	N/A
Chan Ching Wan Alpha *(resigned on 1 January 2024)*	N/A	N/A	N/A	N/A	N/A	N/A
INEDs						
Cheng Shu Shing Raymond	N/A	5/6	3/4	2/2	2/2	0/1
Lo Ming Chi Charles	N/A	6/6	4/4	2/2	2/2	1/1
Chan Ho Wah Terence	N/A	6/6	4/4	N/A	N/A	1/1
Total number of meetings held:	10	6	4	2	2	1

During the year, the Chairman of the Board held a meeting with the INEDs without the presence of the EDs.

Upon reviewing (i) the annual confirmation of the time commitment given by each Director; (ii) the directorships and major commitments of each Director; and (iii) the attendance rate of each Director on full Board and their executive committee meetings with the Management on their respective functional duties and responsibilities, the Board is satisfied that all Directors have spent sufficient time in performing their responsibilities during the year.

BOARD MEETINGS AND PROCEEDINGS

Regular board meetings were held at approximately quarterly interval. The Directors have access to the advice and services of the Company Secretary and key officers of the company secretarial team for ensuring that the Board procedures, and all applicable rules and regulations, are followed.

All Directors are consulted as to whether they wish to include any matter in the meeting agenda before the agenda for each board meeting is issued. Board meeting notice is sent to the Directors at least 14 days prior to each regular board meeting. Originals of the minutes of board meetings will be kept by the Company Secretary and are opened for inspection at any reasonable time on reasonable notice by any Director.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the 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 that he/she shall not be counted in the quorum present at the board meeting.

AUDIT COMMITTEE *(SET UP ON 30 OCTOBER 2000)*

The Audit Committee consists of three INEDs, namely Mr Cheng Shu Shing Raymond (chairman of the committee), Mr Lo Ming Chi Charles and Dr Chan Ho Wah Terence.

The specific written terms of reference of the Audit Committee is available on the websites of the Stock Exchange and the Company.

The Audit Committee is primarily responsible for making recommendations to the Board on the appointment and removal of the external auditor, approving the remuneration and terms of engagement of external auditor, reviewing financial information and overseeing the financial reporting system, risk management and internal control procedures. The Audit Committee held 4 meetings during the year.

A summary of work performed by the Audit Committee during the year is set out as follows:

i. reviewed the annual and interim financial statements, and the quarterly business operation and development of the Group;

ii. discussed/met with the external auditor on general accounting issues of the Group, and reviewed their work and findings relating to the annual audit and the effectiveness of the audit process;

iii. reviewed the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2024;

iv. annual review of the non-exempt continuing connected transactions of the Group; and

v. reviewed the external auditor's independence, approved the engagement and remuneration of external auditor and recommended the Board on the re-appointment of external auditor.

REMUNERATION COMMITTEE *(SET UP ON 30 OCTOBER 2000)*

The Remuneration Committee consists of three members, namely Mr Cheng Shu Shing Raymond (chairman of the committee) and Mr Lo Ming Chi Charles, both being INEDs, and Dr Kwan Pak Hoo Bankee, being Chairman of the Board.

The specific written terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company. Pursuant to the CG Code E.1.2(c)(ii) and the terms of reference adopted by the Remuneration Committee, its primary duties are to make recommendation to the Board on the Company's policies and structure of the remuneration of Directors and senior management and the remuneration packages of individual EDs and senior management. Details of the remuneration of each of the Directors for the year are set out in note 12 to the consolidated financial statements. The Remuneration Committee held 2 meetings during the year.

A summary of the work performed by the Remuneration Committee during the year is set out as follows:

i. determined and endorsed to the remuneration policy and structure for the Directors and senior management; and

ii. assessed the performance of executive Directors and reviewed their current level and remuneration structure/package and approve the specific remuneration package of executive Directors.

Remuneration policy of the Directors

The Company adopted a remuneration policy providing guideline for the Directors' remuneration.

Under the remuneration policy, the Directors' remuneration should be based on internal equity factors and external market conditions and will be reviewed from time to time.

The remuneration of EDs generally consists of:

- fixed monthly salary/allowance – which is set in accordance to the Director's duties, responsibilities, skills, experiences and market influences;

- pension – which is based on the local Mandatory Provident Fund Contribution Scheme;

- short term variable incentive – which may include discretionary cash bonus depending on the achievement of short-term corporate objectives and/or personal targets; and

- long term variable incentive – which may include share options designed to encourage long-term commitment.

The remuneration of the NEDs (if any) and the INEDs will be a lump sum of Directors' remuneration made annually.

The remuneration paid to and/or entitled by each of the Directors for the year is set out in note 12 to the consolidated financial statements in this annual report.

The share options granted to and/or entitled by the Directors during the year under review (if any) are set out in the section headed "Directors' Interests in Securities" in the Directors' report of this annual report.

NOMINATION COMMITTEE *(SET UP ON 31 MARCH 2022)*

The Nomination Committee consists of three members, namely Dr Kwan Pak Hoo Bankee (chairman of the committee), being Chairman of the Board, Mr Cheng Shu Shing Raymond and Mr Lo Ming Chi Charles, both being INEDs.

The specific written terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are (a) reviewing the structure, size, composition and diversity of the Board; (b) reviewing the board diversity policy; (c) identifying individuals suitably qualified to become Board members and making recommendations to the Board for directorship; (d) assessing the independence of INEDs; and (e) making recommendations to the Board on the appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors. The Nomination Committee held 2 meetings during the year.

A summary of the work performed by the Nomination Committee during the year is set out as follows:

i. reviewed the structure, size, composition and diversity of the Board;

ii. reviewed the independence of the INEDs; and

iii. made recommendation to the Board on the appointment and re-election of Directors.

Nomination Policy

The Company has adopted a nomination policy for the Nomination Committee to identify and evaluate a suitable candidate for nomination to (i) the Board for appointment; or (ii) the Shareholders for election, as Directors, at general meetings.

Selection Criteria

The nomination policy of the Company specifies the selection criteria of Directors including but not limited to the following:

- character, experience and integrity;

- skills, experience and professional expertise which are relevant to the operations of the Group;

- diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;

- requirements of independence of the proposed independent non-executive Directors in accordance with the Listing Rules;

- commitment in respect of sufficient time and participation to discharge duties as a member of the Board and/or Board Committee(s).

Nomination Process

- the Nomination Committee will hold a meeting and/or by way of written resolutions to, if though fit, approve the recommendation to the Board for appointment;

- to make the recommendation to the Board in relation to the proposed appointment; and

- the Board will have the final authority on determining the selection of nominees.

BOARD DIVERSITY POLICY

The Company has adopted a Board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity of the Board and is subject to annual review by the Nomination Committee. In designing the Board's composition, Board diversity is considered from a number of perspectives, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, length of services and time to be devoted as a Director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

Gender Diversity

As at the date of this annual report, the Board comprises eight Directors, one of which is female. The Board has achieved the gender diversity targets of at least one female Director, and the Board will continue to maintain gender diversity at Board level.

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at 31 December 2024, the number of female employees of the Group accounted for 45.3% of the total workforce. The Board is of the view that the Group has achieved gender diversity among employees. The Group's recruitment strategy is underpinned by the appointment of the right employee for the right position, in order to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills and know-how.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the corporate governance functions of the Group, the specific written terms of reference of the corporate governance functions is available on the Company's website. The primary duties of the corporate governance functions are (a) reviewing the policies and practices on (i) corporate governance and (ii) compliance with legal and regulations requirements of the Company; (b) reviewing and monitoring the training and continuous professional development of the Directors and senior management; and (c) reviewing the Company's compliance with code and disclosure in this report.

During the year, the Board reviewed the policies and practices on corporate governance, the training and continuous professional development of Directors and senior management and the Company's compliance with code and disclosure in this report.

DIVIDEND POLICY

The Company has adopted a dividend policy as set out below:

1. **Purpose**

   The policy aims to set out the approach for the declaration and payment of dividend by the Board.

2. **Vision**

   The Company considers stable and sustainable returns to the Shareholders to be our goal.

3. Power of the Board

3.1 The Company may declare and distribute dividends to the Shareholders by way of cash or by other means that the Board considers appropriate.

3.2 In proposing any dividend payout, the Board shall also take into account, inter alia:–

(i) the Company's actual and expected financial performance;

(ii) retained earnings and distributable reserves of the Company and each of the members of the Group;

(iii) the level of the Group's debts to equity ratio, return on equity and the relevant financial covenants;

(iv) any restrictions on payment of dividends that may be imposed by the Group's lenders;

(v) the Group's expected working capital requirements and future expansion plans;

(vi) general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

(vii) any other factors that the Board deems appropriate.

3.3 Any declaration and/or payment of future dividend is subject to the Board's determination that the same would be in the best interests of the Group and the Shareholders as a whole.

4. Governing rules

Declaration of the dividend by the Company is also subject to any restrictions under the laws of Bermuda, the bye-laws of the Company and any applicable laws, rules and regulations.

5. Approval

5.1 The Board may from time to time pay to the Shareholders such interim and/or special dividends as it considers to be justified by the profits of the Group.

5.2 Any final dividends declared by the Company must be approved by an ordinary resolution of the Shareholders at an AGM and must not exceed the amount recommended by the Board.

6. Review of this policy

The Board will review the policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the policy at any time as it deems fit and necessary.

7. Legal validity

The policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time. There is no assurance that dividends will be paid in any particular amount for any given period.

COMPANY SECRETARY

The Company Secretary, a full time employee of the Company, reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time.

During the financial year ended 31 December 2024, the Company Secretary has complied with Rule 3.29 of the Listing Rules and took no less than 15 hours of relevant professional training.

SECURITIES TRANSACTIONS OF DIRECTORS

The Company has adopted the Model Code for Securities Transactions of Directors by Listed Issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to the Directors of the Company, all of them confirmed that they have complied with the required standard of dealings and the code of conduct throughout the year.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge that it is their responsibilities to prepare the financial statements of the Group and other financial disclosures required under the Listing Rules and the Management has provided such explanation and information to the Board to enable it to make an informed assessment of the financial and other Board decisions. The Directors believe that they have selected suitable accounting policies and applied them consistently, made judgment and estimates that are prudent and reasonable and ensured the financial statements are prepared on a "going concern" basis. The auditor of the Company has made a statement about their reporting responsibilities in the Independent Auditor's Report.

The Management has provided all members of the Board with monthly updates on internal financial statements so as to give the Directors a balanced and understandable assessment of the Company's performance, position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibilities for establishing and maintaining appropriate and effective risk management and internal control systems, and for determining the nature and extent of the risks it is willing to take in achieving its strategic objectives. The Management is primarily responsible for the design, implementation and monitoring of the risk management and internal control systems.

Procedures have been designed for safeguarding the Group's assets against unauthorised use or disposal, maintaining proper accounting records, ensuring the reliability and usefulness of financial information for internal business use or for publication, and monitoring the compliance with applicable laws, rules and regulations. Furthermore, they are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatements or losses.

The key risk management and internal control procedures include the following:

(i) Delegation of authority within limits set by the Board

The Management of business units and functional departments have been delegated powers and authorities by the Board to carry out the day-to-day management, operation, and maintenance of the internal control systems that are appropriate to their business or function. The Group has adopted a tailored governance and organisational structure with formal and clearly defined lines of responsibility and delegation of authority to ensure segregation of duties with check and balance controls are effectively in place.

(ii) Risk management process

The Credit and Risk Management Policy is formulated and adopted to regulate the setting up of system and procedures which are used to identify, evaluate, manage, and report on the material risk types facing the Group including strategic, operations, compliance, reporting, information and technology risks as well as environmental, social and governance risks.

The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group.

(iii) Changes in market condition/external environment

Processes are in place to identify new risks (including environmental, social and governance risks) arising from changes in market conditions or external environment which could expose the Group to heightened risk of loss or reputational damage. The Management is primarily accountable for measuring, monitoring, mitigating and managing the risks and controls in their areas of responsibility.

(iv) Financial reporting

The Management monitors the business activities closely and reviews monthly financial results of operations against budgets and forecasts. Proper controls are in place for the recording of complete, accurate and timely accounting and management information. In addition, regular reviews and statutory audits are performed by our external auditor to ensure that the preparation of the Group's financial statements are carried out in accordance with generally accepted accounting principles, the Group's accounting policies and applicable laws and regulations.

(v) Internal audit

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs.

The Company currently engaged external independent professionals to review the Group's system of internal controls and risk management annually and will further enhance the Group's internal control and risk management systems as appropriate. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

(vi) Inside information

There are internal procedures and controls for the handling and dissemination of inside information. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group will immediately disclose the information to the public. The Group is committed to ensure that information contained in announcement or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

(vii) Anti-money laundering

The Group has policies and procedures in governing Know Your Clients ("KYC") and Anti-Money Laundering ("AML"). To ensure the Group is compliant with all the regulatory rules, a robust review program on KYC and AML have been put in place.

The Group appoints a designated staff as the Money Laundering Reporting Officer to hold responsibility for investigating AML issue and reporting if necessary.

To ensure all the staff within the Group keep abreast of the latest knowledge and regulatory updates in respect to KYC and AML, induction training as well as annual training is provided.

(viii) Whistle-blowing channels

The Group maintains a whistle-blowing policy to encourage employees to report any suspected misconduct contrary to our ethical belief in confidence without the fear of recrimination. Procedures are established for employees to raise complaints directly to the human resources department, which will evaluate the complaint and determine whether an investigation is appropriate. Human resources department coordinates with relevant departments for investigation where recommendations for improvements are communicated to the respective management for implementation. Audit procedures, investigation results and subsequent follow-up actions taken are reported to the Audit Committee on an annual basis.

(ix) Anti-corruption policy

The Board has adopted an anti-corruption policy. The Group is committed to conducting business honestly, ethically and with integrity. In line with such commitment, the anti-corruption policy sets out the responsibilities of all business units and employees of the Group to comply with the applicable anti-corruption laws, rules and regulations. The Group adopts a zero-tolerance principle against corrupt practices. All employees are prohibited from soliciting, accepting or offering advantages from or to clients, suppliers or any person having business dealings of any kind with the Group.

Overall assessment

The Board, through the Audit Committee, has conducted an annual review of the effectiveness of our risk management and internal controls systems covering all material controls, including financial, operational and compliance controls, and the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions.

During the year ended 31 December 2024, the Group engaged an independent professional consultancy firm for performing independent review of the adequacy and effectiveness of the internal control and risk management. The consultancy firm identified and assessed the risks of the Group through a series of interviews; and independently performed internal control review and assessed effectiveness of the Group's risk management and internal control systems. The review results has been properly reported to the Audit Committee.

In addition, the Board has received confirmation from the Management that the Group's risk management and internal controls systems are effective.

During the year ended 31 December 2024, the Board is not aware of any material internal control deficiency or significant areas of concern that may affect Shareholders' interests.

CORPORATE GOVERNANCE REPORT

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Group's environmental, social and governance strategy and reporting. The Board is responsible for the Group's environmental, social and governance ("ESG") risk management and internal control systems to ensure that ESG strategies and reporting requirements are met. Details information on the ESG practices adopted by the Group is set out in the "Board Statement" section of the ESG Report of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Company believes that effective communication with Shareholders is essential for enhancing Shareholders' knowledge and understanding of the Company. To achieve this, the Company pursues a proactive policy of promoting Shareholders communications. The main purpose of the Company's Shareholders communication policy, therefore, is to enable Shareholders to have access, on a fair and timely basis, to information that is reasonably required for making the best investment decisions.

Information relating to the Group is mainly communicated to Shareholders through publication of notices, announcements and circulars at the websites of the Company and the Stock Exchange and despatch of interim reports, annual reports and circulars to the Shareholders. Shareholders' general meetings are held in compliance with the Listing Rules and other legal requirements to ensure communication and interaction with Shareholders.

The Board reviews the Shareholders communication policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholders are substantially protected.

The Board has conducted a review of the implementation and effectiveness of the Shareholders communication policy of the Company. Having considered the diverse channels of communication in place, the Board is satisfied that an effective Shareholders communication policy has been properly implemented throughout the year ended 31 December 2024.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the constitutional documents. The Company's Memorandum of Association and Amended and Restated Bye-laws is available on the Company's website and the Stock Exchange's website.

SHAREHOLDERS' RIGHTS

Convening a SGM and putting forward proposals at general meetings

Pursuant to the bye-laws of the Company, Shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth (10%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right to submit a written requisition requiring a SGM to be called by the Board.

The written requisition (i) must state the object(s) of the meeting, and (ii) must be signed by the requisitionists and deposited at the registered office of the Company for attention of the Company Secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such requisitions will be verified with the Company's share registrar and upon its confirmation that the requisition is proper and in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice to all Shareholders. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM for a day within 2 months after the date of deposit of such requisition, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

Pursuant to the Bermuda Companies Act 1981, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company ("Requisitionists"), or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the Requisitionists must be deposited at the registered office of the Company with a sum reasonably sufficient to meet the Company's relevant expenses and not less than 6 weeks before the meeting in case of a requisition requiring notice of a resolution or not less than 1 week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date 6 weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Enquiries from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong or tel: (852) 2980 1333 or email: cfsg510@cash.com.hk.

Other Shareholders' enquiries can be directed to the Group Public Affairs Department of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong or tel: (852) 2287 8888 or fax: (852) 2287 8000 or email: inquiry@cash.com.hk.

AUDITOR'S INDEPENDENCE AND REMUNERATION

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standard. Members of the Audit Committee were of the view that the Company's auditor, Messrs. Deloitte Touche Tohmatsu is independent and has recommended the Board to re-appoint it as the Company's auditor at the forthcoming AGM. During the year, Messrs. Deloitte Touche Tohmatsu has rendered audit services and certain non-audit services to the Company and the remuneration paid/payable to it by the Company are set out as follows:

Services rendered	**Fees paid/payable** HK$
Audit services	2,909,000
Non-audit services:	
Review of the continuing connected transactions	85,000
Review of the preliminary results announcement	35,000
	3,029,000

On behalf of the Board
Dr Bankee P. Kwan, *BBS, JP*
Chairman & CEO

Hong Kong, 28 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

This Environmental, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

SCOPE OF REPORTING

Unless stated otherwise, the ESG Report covers the Group's business activities of subsidiaries in Hong Kong, which represent the Group's major source of investment and income. The ESG data and related ESG key performance indicator ("KPI") that the Group has direct access to and is under the Group's direct operational control of our two offices in Kowloon Bay and Causeway Bay have been included in the ESG Report.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of Stock Exchange.

During the preparation for this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as the following:

- The materiality assessment was conducted to identify material issues during the financial year ended 31 December 2024 (the "Reporting Period"), thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. Please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment" for further details.

- Under feasible situation, the Group records, calculates and discloses quantitative information and conducts comparisons with past performance. Supplementary notes are added along with quantitative data disclosed in the ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of emissions and energy consumption.

- The Group follows the principles of accuracy, objectivity and fairness to report its achievements and challenges in sustainable development.

- The preparation approach of this ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on pages 18 to 33 of this annual report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges, measures taken, compliance and results of the Group during the financial year ended 31 December 2024.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

Oversight of ESG Issues

The board of directors (the "Board") holds the ultimate responsibility on monitoring the Group's ESG issues, including ESG management approach, strategy, and policies. In order to better manage the Group's ESG performance and identify potential risks, the Board conducts materiality assessment where necessary with the assistance of the ESG committee to evaluate and prioritise material ESG-related issues with reference to the opinions of our stakeholders.

The ESG Committee

The ESG committee, composing of core members from different departments, is established to facilitates the Board's oversight of ESG matters. The ESG committee is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG committee arranges meetings when required to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. By setting ESG-related goals and targets to minimise the environmental impacts from the Group's operation, the Group affirmed its commitment in embedding sustainability into the business operation and fulfil its corporate responsibility. The ESG committee would report to the Board, assist in assessing and identifying the Group ESG risks and opportunities, evaluate the implementation and effectiveness of internal control mechanism, and review the progress of the set goals and targets.

TOTAL CARING ORGANISATION

Our Group aims to be a Total Caring Organisation, we are dedicated to:

- Meeting the needs of our customers with quality products and innovative services;
- Creating an enjoyable work environment to highly engage our employees so as to maximise their potential;
- Minimising our operational impact on the natural environment; and
- Contributing to the betterment of the community, especially that of the next generation.

STAKEHOLDER ENGAGEMENT

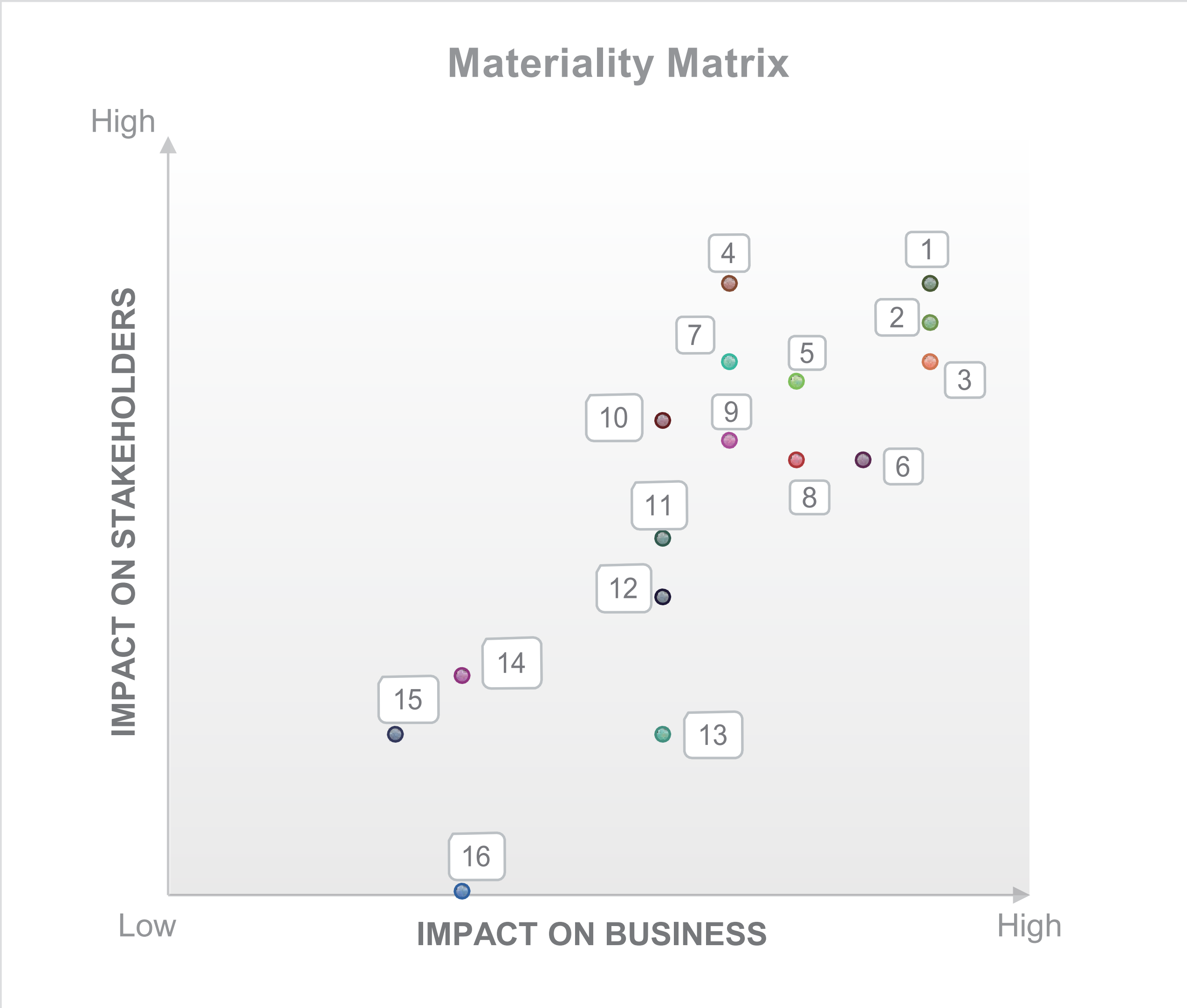
The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers and business partners, government and regulatory authorities, and the community.

In formulating operational and ESG strategies, the Group considers stakeholders' expectations through a diverse range of engagement methods and communication channels, as shown below:

Stakeholders	Communication Channels	Expectations
Employees	• Regular performance appraisal • Training and workshops • Internal announcement	• Remuneration and benefits • Equal opportunities • Career development • Occupational health and safety
Shareholders and investors	• Annual general meeting • Financial reports • Announcements and circulars	• Financial performance • Information transparency • Shareholder rights protection
Customers	• Customer service hotline and email • Company website	• Customer privacy protection • High quality customer services • Business ethic and integrity
Suppliers and business partners	• Supplier conferences and meetings	• Supply chain management • Fair and open procurement • Mutual benefit
Government and regulatory authorities	• Regular performance supervision and evaluation • Written or electronic correspondences • Publications	• Compliance with laws and regulations • Corporate governance
Community	• Community events • ESG reports	• Community participation • Corporate social responsibility • Providing job opportunities • Environmental protection

MATERIALITY ASSESSMENT

A materiality assessment in the form of surveys was conducted during the Reporting Period, where the Group identified sustainability factors that were material to our business operations. The management and employees who are responsible for the key functions of the Group have participated in preparing the ESG Report, assisted the Group in reviewing its operations, identifying key ESG issues and assessing the importance of these issues to our businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from relevant departments and business units of the Group. The Group's material sustainability aspects will be covered in the ESG Report, and the materiality matrix is as follow:



Major ESG Issues

1. Anti-corruption
2. Employee recruitment and promotion
3. Employee remuneration and benefit
4. Anti-money laundering ("AML") and counter-terrorist financing ("CTF")
5. Data and privacy protection
6. Development and training
7. Customer services
8. Equal opportunities and anti-discrimination
9. Product responsibility
10. Corporate social responsibility
11. Advertising and labelling
12. Occupational health and safety
13. Climate change
14. Responsible use of resources
15. Emission control
16. Supply chain management

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide your valuable advice with regard to the ESG Report or the Group's performances in sustainable development by visiting our website at www.cfsg.com.hk.

A. ENVIRONMENTAL

A1. Emissions

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. We strive to promote the vision of "Green CASH", by being an environmentally responsible company. The Group proactively seeks opportunities to conserve energy, utilise resources more efficiently and reduce waste. Besides establishing environmental policies and communicating measurable environmental objectives to our employees, we also keep ourselves up-to-date with local environmental standards.

During the Reporting Period, the Group received several awards which recognised our effort in promoting environmental protection. The environmental and social awards received by the Group during the Reporting Period are listed below:

Name of Award	Awarding Organisation
Hong Kong Green Organisation Certificate	Environmental Campaign Committee
Hong Kong Awards for Environment Excellence (HKAEE) – Wastewi$e Certificate (Good Level)	Environmental Campaign Committee

The Group strives to continuously improve our performance on environmental management.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. The said laws and regulations include but are not limited to the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and the Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong).

Air Emissions

Due to the Group's business nature, only an immaterial amount of air emissions was generated from the use of company vehicles. Description of mitigation measures of emissions will be provided in the following section – GHG Emissions.

Summary of air emissions performances:

Types of air emissions	Unit	2024	2023
Nitrogen Oxides (NOx)	kg	**1.25**	1.34
Sulphur Oxides (SOx)	kg	**0.04**	0.04
Particulate Matter (PM)	kg	**0.09**	0.10

GHG Emissions

The principal GHG emissions of the Group were generated from purchased electricity consumed in offices (Scope 2). To mitigate the largest attributor of the GHG emissions, the Group has actively adopted energy conservation measures to achieve green office which are described in the section headed "Energy Management" under aspect A2. On the other hand, video-conferencing systems have been installed in offices to reduce travel and as a result reduced other indirect GHG emissions.

The Group's total GHG emissions intensity decreased by approximately 9% compared to 2023, primarily due to reduced electricity usage. However, when compared to the 2021 baseline, there has been a 67% increase, attributed to a decrease in revenue, which serves as the basis for calculating intensity.

Summary of GHG emissions performances:

Scope of GHG emissions[1]	Unit[2]	2024	2023
Direct GHG emissions (Scope 1)	tCO_2e	**6.76**	7.46
Energy indirect GHG emissions (Scope 2)	tCO_2e	**107.29**	136.24
Total GHG emissions	tCO_2e	**114.05**	143.70
Total GHG emissions intensity[3]	tCO_2e/million revenue	**2.25**	2.46

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the Global Warming Potential Values from the IPCC Fifth Assessment Report, 2014 (AR5), the 2024 Sustainability Report issued by Hong Kong Electric, and the 2024 Sustainability Report issued by CLP Holdings Limited.

2. tCO_2e is defined as tonnes of carbon dioxide equivalent.

3. During the Reporting Period, the Group recorded a revenue of approximately HK$50,768,000 (2023: HK$58,365,000). The data is also used for calculating other intensity data.

Sewage Discharge

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant amount of sewage water discharged; used water was discharged to the municipal sewage network to the regional water treatment plant.

Waste Management

Due to the business nature, the Group's operation does not generate hazardous waste. The waste generated from the business activities of the Group is mostly paper. The Group pursues high standard in waste reduction and educates all staff on the importance of sustainability while providing them with the skills and support to implement it.

In our offices, waste separation facilities have been implemented. We also provide recycling bins for collecting scrap paper, plastic bottles, aluminum cans, and recyclable toner cartridges, which are then delivered to the recycling agents for further processing. During the Reporting Period, the Group collected a total of 69 (2023: 23) pieces of aluminum cans, 45 pieces of plastic bottles (2023: 113), 1,006 kg (2023: 1,021 kg) of scrap paper and 18 (2023: 22) pieces of toner cartridges at offices for recycling. The Group will continue to promote employee awareness on waste recycling.

Apart from recycling, a series of programmes and activities have been launched in the office to encourage the participation of staff towards waste management, which include:

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient "paperless, IT-driven and systematic" working environment;
- Installed multi-functional printers with card authentication system in order to reduce paper waste in the office by preventing uncollected printouts from piling up in the printer tray;
- Achieving waste reduction goals set under the Wastewi$e Certificate recognition scheme;
- Posting a "Green message" reminder at all office equipment;
- Applying used envelopes for internal document circulation; and
- Recommending duplex or 2-on-1 page copying on recycled paper.

The Group hopes that our stakeholders will join us and pursue a sustainable operation. We encourage reduced paper consumption by offering shareholders choices to consent to receiving corporate communications materials by electronic means. We also encourage customers to use e-statements on our online portal in order to save paper.

The Group's paper disposal intensity during the Reporting Period decreased by approximately 16%. To ensure the effectiveness of the measures, the Group had set a target of reducing the total non-hazardous wastes intensity (kg/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of major non-hazardous waste discharge performance:

Types of waste	**Unit**	**2024**	2023
Office paper	kg	**1,473.49**	2,011.43
Total non-hazardous wastes	kg	**1,473.49**	2,011.43
Total non-hazardous wastes intensity	kg/million revenue	**29.02**	34.46

Target Achievement Progress

For each target established, the details of corresponding measures to achieve such target will be disclosed in the sections of "Emissions" and "Use of Resources". To ensure the effectiveness of the measures, the Group has set target to reduce the total GHG emissions intensity and the total non-hazardous wastes intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the Group's GHG emissions decreased by approximately 9% compared to 2023, primarily due to reduced electricity usage. However, compared to the 2021 baseline year, there has been a 67% increase, largely due to a decrease in revenue, which is the basis for the intensity calculation. In terms of non-hazardous waste intensity, it decreased by approximately 16% from 2023 and increased by 6% from the 2021 baseline year.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

A2. *Use of Resources*

The Group recognises its responsibility to take the initiative in efficiently utilising finite resources and carries out its corporate social responsibility to introduce additional eco-friendly approaches to enhance the Group's sustainability performance. Therefore, the Group has established the Green Office Policy to achieve energy conservation.

Energy Management

In daily operation, the Group's major energy consumption is electricity consumed in office. In order to reduce our energy consumption, the Group has launched a wide variety of green measures for awareness building towards energy conservation:

1) Lighting

- T5 energy-efficient lighting tubes have been installed at offices;
- Staff is encouraged to switch off lighting while they are duty-off;
- Partial lighting should be switched off provided that sufficient sunlight is available indoors; and
- "Light-off" during lunch hour is highly recommended.

2) Office equipment

- Computers and other electronic equipment should be powered off while they are not in use for energy conservation; and
- Security guards patrol the offices at night to ensure all non-use equipment is switched off.

Apart from the measures adopted at office, the Group participated in the "Earth Hour" campaign by turning off the offices' lighting for one hour with an aim to encourage the participation of staff and arise their concern.

The Group's energy consumption intensity decreased by approximately 9% compared to 2023, primarily due to reduced use of petrol and electricity. To ensure the effectiveness of the measures, the Group had set a target of reducing the total energy consumption intensity (kWh/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of energy consumption performance:

Types of energy	Unit	2024	2023
Direct energy consumption	kWh	**24,615.56**	27,196.10
• Petrol			
Indirect energy consumption	kWh	**252,692.00**	321,234.00
• Electricity			
Total energy consumption	kWh	**277,307.56**	348,430.10
Total energy consumption intensity	kWh/million revenue	**5,462.25**	5,969.85

Water Management

The Group does not consume significant amounts of water through our business activities. During the Reporting Period, our office in Causeway Bay consumed 15m^3 (2023: 31m^3) of water. Water usage in our offices in Kowloon Bay is included in the management fee as water supply facilities are provided and managed by property managers on our rental premises, therefore no meter reading is available. Water consumption intensity is not considered as an applicable performance indicator due to partial availability of data. The Group targets to promote water conservation in all of our operating locations.

Although the water consumption is considered minimal, we also encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently.

Use of Packaging Material

Packaging material is not consumed during our service delivery, hence the related disclosure is not applicable for the Group.

Target Achievement Progress

The Group has set target to reduce the energy consumption intensity by 2025 when compared to 2021, which is also the baseline year.

During the Reporting Period, the energy consumption intensity of the Group decreased by approximately 9% compared to 2023, however, when compared to the baseline year of 2021, it increased by 53%. This rise is primarily due to a decrease in the Group's revenue, which serves as the basis for calculating intensity.

In the future, we will develop more specific quantitative environmental goals to nurture the environment and cherish natural resources. The Group will strive to achieve the targets by implementing appropriate measures in its operation.

A3. The Environment and Natural Resources

The Group is committed to minimising negative environmental impacts occasioned by the Group's business operations. Despite that the business activities of the Group do not significantly impact the environment and natural resources, we continue to be vigilant to the potential environmental impacts arising from its business operations.

Working Environment

The Group is committed to providing employees with a comfortable and green working environment to increase work efficiency. We strive to maintain a hygienic and neat environment in the workplace. The Group signed the Hong Kong General Chamber of Commerce's Clean Air Charter to reduce emissions and create cleaner air. We acted on the Chamber's 7-7-7 Care-for-Air Guidelines for the public and called on our staff to take practical steps to contribute to improving air quality at home, at work, and while travelling. Besides, the Group engaged in many different governmental environmental protection campaigns, including Green Office Education, Green Day, Biz Green Dress Day, Reuse and Recycle Program and Action Blue Sky.

A4. Climate Change

The Group recognises the importance of the identification and mitigation of significant climate-related issues, therefore closely monitors the potential impact of climate change on our business and operations. In accordance with the reporting framework developed by the "Task Force on Climate-related Financial Disclosures", there are two major categories of climate-related risks, physical and transition risks.

Physical Risks

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat pose acute and chronic physical risks to the Group's business. The Group's capacity and productivity will be reduced under extreme weather events as the safety of our employees is threatened and the operational sites might be damaged, which exposes the Group to risks associated with non-performance and delayed performance, leading to direct negative impact on the Group's revenue.

To minimise the potential risks and hazards of extreme weather events, such as typhoon and black rainstorm, which might cause interruptions on our business, the Group has established mitigation plans including flexible working arrangements, and precautionary measures such as regular inspection of office premises. Moreover, we maintain comprehensive insurance coverage for assets that are prone to damage by extreme weather conditions, minimising the potential maintenance and repair costs required.

Transition Risks

To achieve the global vision on carbon neutrality, the Group expects evolution of the regulatory, technological and market landscape due to climate change, including the tightening of national policies and listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits, which might incur additional compliance costs and affect the reputation of the Group.

In response to the policy and legal risks as well as the reputation risks, the Group constantly monitors any changes in laws or regulations and global trends on climate change to avoid cost increments, non-compliance fines or reputational risks due to delayed response. In addition, the Group has been taking comprehensive environmental protection measures, including GHG reduction measures, has set targets to gradually reduce the Group's energy consumption and GHG emissions in the future.

B. SOCIAL

B1. Employment

Respect for the rights of everyone who works for us is fundamental to the sustainability of the Group and the communities in which we operate. Our commitment to operate with respect for individuals is reflected in all aspects of the Group's business operations and is integrated in our policies and relevant procedures. We are committed to providing a happy and family-friendly workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), and the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong).

As at 31 December 2024, the Group had a total of 106 (2023: 97) employees. Total workforce by gender, age group, geographical region and employment type is as follows:

	2024	2023
Total number of employees	**106**	97
Gender		
Male	**58**	61
Female	**48**	36
Age group		
Below 30 years old	**21**	24
30-50 years old	**61**	52
Over 50 years old	**24**	21
Geographical region		
Hong Kong	**70**	72
China	**36**	25
Employment type		
Full-time	**100**	93
Part-time	**2**	4
Temporary contract	**4**	–

Recruitment, Promotion and Dismissal

The Group has set out the Staff Recruitment Policy for our Human Resources Department to ensure that appropriate and standardised recruitment process is maintained. The policy will be reviewed regularly, and modified as required, to reflect changes in the Group's development, best practice in recruitment process and compliance with the relevant legislation.

The Group devised an effective performance management system where regular performance appraisal is carried out to provide a two-way communication platform for improved employee relationships with the support of timely coaching and counseling and to give feedback on employees' performance and help identify individual training needs so as to enhance performance and to develop the potential of the employee for further advancement. Procedures are set out in the Employee Handbook. Through the performance appraisal, the Group review and adjusts salary based on our transparent incentive structure.

The termination of employment contract is set out in the Employee Handbook and governed by internal policies to ensure all dismissal comply with relevant laws and regulations in Hong Kong. The Group strictly prohibits any kinds of unfair or illegitimate dismissals.

During the Reporting Period, the Group recorded a turnover rate of approximately 25.62% (2023: 31.46%). The table below shows the employee turnover rate by gender, age group and geographical region:

	2024 **Turnover rate (%)**	2023 Turnover rate (%)
Gender[4]		
Male	**25.21**	29.09
Female	**26.19**	35.29
Age group[4]		
Below 30 years old	**26.67**	31.58
30-50 years old	**28.32**	42.00
Over 50 years old	**17.78**	5.00
Geographical region[4]		
Hong Kong	**25.35**	26.39
China	**26.23**	36.00

Note:

4. Calculation methodology of turnover rate: employees in the specified category leaving employment divided by the average of total number of employees in the specified category of the Group at the beginning and the end of the Reporting Period.

Remuneration and Benefits

As a Hong Kong-based investment and wealth management advisory group, CFSG fully understands that our success lies in the quality of service we provide to our customers and therefore our ability to attract, retain and motivate quality employees. The Employee Handbook is formulated to stipulate general practices and policies related to employment, compensation and benefits. To stay competitive, our base salaries are within industry norms, contributing to our ability to attract and retain highly skilled and motivated staff.

To attract talented people, the Group provides fair and competitive remuneration and benefits to our employees. We benchmark our remuneration system with the market to ensure our ability to motivate our talent pool. The Group adopts a comprehensive and people-oriented leave system, where comprehensive benefits are provided to all staff, including annual leave, birthday leave, marriage leave, maternity leave, compassionate leave, and paternity leave. We have pioneered the introduction of the following benefits for employees, including marriage gift coupon, red packet for new-born babies, purchase discount and financial trade discount for our employees. In addition, to express our appreciation to staff who have contributed to the Group for many years, we regularly show our gratitude with long service awards.

Diversity and Equal Opportunities

The Group is committed to developing, maintaining and supporting a culture of equality and diversity in employment, on the basis of age, race, colour, nationality, religious belief, disability, sexual orientation, political opinion and any other status protected by applicable legislations and ordinances. We believe that the diversity can enrich all employees by providing a more rewarding and less stressful environment. No one shall be discriminated at recruitment, selection, employment, compensation, transfers, promotion, training or development. Qualified individuals are employed to carry out our fiduciary duties based on their education, experience, and ability without discrimination.

Work-life Balance

The Group strives to help employees maintain a good work-life balance, which we believe helps them to sustain their performance at work and our business. To assist employees to balance their lives, we arrange activities under three different themes: wellness, happiness and vivacity. The Group introduces family-friendly employment practices, including offering family leave benefits and employee support schemes. To promote well-being and enhance their relationships, the Group also organised after-work activities for employees.

B2. Health and Safety

Ensuring the health and safety of our employees is an integral part of our business activities. Therefore, we are dedicated to maintaining a safe, hygienic, and productive workplace by minimising the potential risk of accidents, injuries and exposure in relation to health risks. We ensure all employees are competent at work and are given adequate training to comply with all local legislations and ordinances with regard to health and safety.

The Group attaches prime importance to ensuring a safe working environment, with measures in place to deal with natural disasters, fire, disease and accidents. We encourage our employees to treat health and safety as parts of their individual responsibility. The Group’s health and safety procedures are revised from time to time to ensure that they are risk-focused and that responsibilities are clearly defined.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). During the Reporting Period, there were no reported cases of work-related fatalities and no lost days due to work injury. The Group has achieved zero work-related fatalities in the past three years.

Occupational Health and Safety

Occupational health and safety record is maintained to ensure that a healthy and safe workplace is provided for our employees at all times. Preventive measures were undertaken with the use of appropriate office equipment as well as performing periodic office risk assessment to enhance workplace safety. We offer comprehensive medical insurance plans covering clinical, hospital and dental benefits to protect the health of our employees and their families, as well as regular vaccination programs to reduce their risk of getting infectious diseases.

B3. Development and Training

We are committed to ensuring that the talents, skills and abilities of our employees are recognised and are utilised to their full capacity. The Group has implemented various training policies and organised a number of training programmes aiming specifically at improving the skills and developing the talents of our employees and generally increasing the competitiveness, productivity and efficiency of the Group.

Our training programmes are developed based on business needs and competencies of employees. We provide tailor-made management training workshops for management-level employees of the Group to enhance communication skills, the ability to face adversity as well as team spirit. During the Reporting Period, we organised numbers of in-house classes including training in areas such as customer service, knowledge on products, operational and selling techniques, career orientation, risk and compliance, graduate development, Continuous Professional Training (CPT) of professional qualifications, and professional license examinations preparation. To improve our frontline performance, we provide language enhancement programmes continuously to help enhance employees' language proficiency and sales culture training to develop a competitive spirit and inspires team spirit among sales teams and support teams. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO.

During the Reporting Period, the Group has achieved a total training hour of 4,366 (2023: 1,428) hours. The table below shows the employee training data by gender and employee category:

	Percentage of employees trained[5](%)		**Average training hours per employee[6] (hours)**	
	2024	2023	**2024**	2023
Gender				
Male	**100.00**	88.52	**47.31**	16.67
Female	**95.83**	80.56	**33.79**	11.42
Employee Category				
Senior Management	**87.50**	88.89	**44.75**	28.78
Middle Management	**90.48**	94.12	**47.29**	14.00
General[7]	**101.30**	83.10	**39.16**	13.11

Notes:

5. Calculation methodology of percentage of employees trained: number of employees in the specified category who took part in training divided by number of employees in the specified category at the end of the Reporting Period.

6. Calculation methodology of average training hours per employee: total training hours of employees in the specified category divided by total number of employees in the specified category at the end of the Reporting Period.

7. The data included employees who received training but left during the Reporting Period.

B4. *Labour Standards*

Prevention of Child and Forced Labour

The Group prohibits the recruitment of child and forced labour as prescribed by laws and regulations. The Group strictly complies with local laws and shall not provide job opportunities to those who are under the legal working age of respective jurisdictions.

To avoid illegal employment of child labour and underage workers, the Human Resources and Administration Department of the Group is responsible for verifying personal data such as the identification card during the recruitment process. If violation is involved, it will be dealt with according to circumstances. No employee shall be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. Overtime compensation procedures are set out in the Employee Handbook where overtime compensation leave will be provided to eligible employees when they are required to work overtime.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and the Employment Ordinance of Hong Kong (Chapter 57 of the Laws of Hong Kong).

B5. *Supply Chain Management*

Supply Chain Management

The Group is committed to creating a sustainable relationship with our suppliers and consultants through operating in an open and fair manner. Our major suppliers mainly consist of hardware and software providers. During the Reporting Period, the Group has engaged 14 (2023: 12) major suppliers, all of them are located in Hong Kong.

To ensure that the suppliers meet our requirements in regard to quality, environmental and social standards, we have set out Purchasing Control and Supplier Assessment Procedures for the assessment, review, approval and disapproval of suppliers and subcontractors. Prior to making any procurement decisions, we will conduct assessments on suppliers and consultants to avoid environmental and social risks. We maintain a list of approved suppliers and consultants; they may be suspended or removed from the approved list if they fail to fulfil the agreed standards.

Green Procurement

To support sustainability, our Green Supply Chain initiative applies strict environmental, social and ethical criteria to the suppliers of our business. We place high demands on suppliers and the Group shall select suppliers with standards set by the Group as our prefer suppliers. We have incorporated sustainability considerations into our sourcing and outsourcing practices, requiring suppliers to meet the basic standards. For example, all suppliers are expected to adhere to these basic principles:

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and

- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

B6. Product Responsibility

As a total caring organisation, it is our mission to provide our customers with a meaningful experience when utilising our services, therefore the Group understands the importance of expertise for ensuring service quality. Satisfying our clients is our central focus. This principle guides all our activities and applies to all business divisions. The key elements are transparency and high-quality advice, which enable us to improve client satisfaction and achieve customer loyalty in the long term.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress. Given the Group's business nature, the Group was not involved in the sale of products, therefore disclosure on product recall procedures and number of products recalled are not applicable.

Customer Services

The Group is committed to providing the highest quality of service to its customers. We aim to customise our solutions based on the unique needs of customers, in delivering sustainable value and fostering long-term relationship with our customers. During advertising, we ensure information and marketing materials are easily understood and provide all relevant information in facilitating the decision making of investors. Our employees are committed to providing professional advice to clients in understanding the characteristics, functions and risks of a financial instrument.

The Group maintains an open and welcoming attitude to feedback and complaints from the Group's customers and guests, as the Group views it as an opportunity to improve its service. Procedures for handling complaints are detailed in the Complaint and Suggestion Handling Policy for the reference of relevant employees. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions. The Group will communicate with the clients and delegate responsible departments to understand the issues immediately. All complaints will be handled promptly under the procedures set out in our internal policy and were reviewed in the monthly compliance meeting.

During the Reporting Period, there were no material complaints made against us and our internal staff by our customer.

Safeguarding Customer Assets

Certain subsidiaries of the Group are licensed and regulated under the SFC. As a custodian of customers' assets, we implement the necessary controls to properly handle and safeguard customers' assets according to relevant laws and regulations.

Segregated accounts are maintained in keeping customers' assets. Transactions should only be executed when customers' consent is received, or customers' obligation is required to be met on agreed contracts. Adequate audit trail is maintained to enable investigation of suspected irregularities. Regular compliance reviews and audits are conducted to detect any non-compliance with regulatory requirements. Any irregularities should be immediately reported to the Management and the relevant authorities.

Handling of Personal Data

The Group strictly adheres to regulatory requirements on data privacy, through fulfilling high security and confidentiality of personal data privacy protection. We are committed to maintaining and protecting personal data.

Internal policy has been established to govern the collection and handling of personal data received from a data subject. Under our data protection principles, a Privacy Policy Statement ("PPS") is acknowledged to enable the public to ascertain the data user's general policies and practices in relation to the collection, holding and use of individual personal data. Also, the Group has set in place Cyber Security Policy to help outline the security measures put in place to ensure information remains secure and protected.

Furthermore, in accordance with our data protection principles, a Personal Information Collection Statement ("PICS") is acknowledged whenever there is collection of personally identifiable information from individuals to notify data subjects of certain matters in relation to specific collections of personal information from them. The Group will not use or provide personal data to any person for use in direct marketing unless we have obtained the data subject's consent in writing. Meanwhile, the Group maintains sound safety system and measures to prevent unauthorised use of personal data.

Protection of Intellectual Property Rights

Policies and measures regarding the protection of intellectual property rights are in place. For any infringement of the Group's intellectual property rights, the Group will urge infringers to cease such action. The Group shall take further action should infringement continue.

B7. Anti-corruption

The Group strives to promote and maintain the highest standards of honesty, integrity and fairness. All of our staff must ensure that the Group's reputation is not tarnished by dishonesty, disloyalty or corruption. Policies on the aforementioned matters are clearly stated within the Employee Handbook.

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) that would have a significant impact on the Group. During the Reporting Period, there were no concluded legal cases regarding any forms of corrupt practices fraud brought against the Group or its employees.

Whistle-blowing Channels

The Group maintains a whistle-blowing policy to encourage employees to report any suspected misconduct contrary to our ethical belief in confidence without the fear of recrimination. Procedures are established for employees to raise complaints directly to the Compliance Department, which will evaluate the complaint and determine whether an investigation is appropriate. Compliance Department coordinates with relevant departments for investigation where necessary and recommendations on improvements are communicated to the respective management for implementation. Audit procedures, investigation results and subsequent follow-up actions taken are reported to the Audit Committee on an annual basis.

Anti-corruption Training

Training related to anti-corruption are rendered to our management and employees to boost their awareness on the prevention of any kind of unethical behaviour such as bribery, extortion, fraud and money laundering. During the Reporting Period, Directors and senior management have attended anti-corruption training held by the Company.

B8. Community Investment

Community Engagement

Caring about the interests of the communities and people we serve is encapsulated in our "People-Oriented" core corporate value guiding our business and day-to-day operation. The Group and our employees are dedicated to working hand-in-hand with local communities in a variety of initiatives, ranging from job creation to focus on and protection of the social vulnerable groups.

- In support of the social service funding of Pok Oi Hospital, and promoting cycling in Hong Kong and the awareness of environmental living, the Group sponsored and recruited corporate teams to participate in the Pok Oi Cycle for Millions 2024 event and donated approximately HK$33,000 in this event.

- CFSG collaborated with the Against Child Abuse (ACA) to support the "New Territories Flag Day" campaign. To contribute to this meaningful cause, the Group recruited corporate teams to participate in the event. The funds raised was used to support ACA's services, ensuring the comprehensive development of child protection services in Hong Kong.

- Aiming to contribute to the community by reducing food waste and assisting grassroots families, our staff volunteered at the "Food Angel" Kitchen in June 2024, where they prepared surplus food to create nutritious meals for redistribution to the underprivileged communities.

- In October 2024, CFSG partnered with The Community Chest for the "Dress Casual Day 公益金便服日" campaign. This initiative encouraged working professionals and students to wear comfortable casual attire to work and school while raising funds to support local individuals in need. Through this campaign, CFSG aimed to promote a spirit of care and mutual support within the community, contributing to meaningful social causes.

On behalf of the Board
Dr Bankee P. Kwan, *BBS, JP*
Chairman & CEO

Hong Kong, 28 March 2025

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A. Environmental		
Aspect 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.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
KPI 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.	Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI 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.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources (Not applicable – Explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect 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.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the action taken to manage them.	Climate Change

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B. Social		
Aspect 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.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect 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.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect 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.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI 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.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect 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, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility (Not applicable – Explained)
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect 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.	Anti-Corruption
KPI 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.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
Aspect 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.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

DIRECTORS' REPORT

The Directors are pleased to present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are (a) provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products, (b) proprietary trading of debt and equity securities and derivatives, (c) provision of margin financing and money lending services, and (d) provision of investment management services.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 70 of this annual report.

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: nil).

BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development and possible risks and uncertainties that the Group may be facing are provided in the sections of "Financial Review" and "Management Discussion and Analysis" of this annual report, and in note 40 to the consolidated financial statements.

The financial risk management objectives and policies of the Group are shown in note 40 to the consolidated financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the section of "Financial Review" of this annual report.

Save as disclosed in this report, there is no important event affecting the Group that has occurred since the end of the financial year ended 31 December 2024.

RELATIONSHIPS WITH STAKEHOLDERS

We fully understand that our business is built on the long-term well-being of the "people" in our service areas at large.

Throughout the course of our business development, we care about the needs of our key stakeholders, inter alia, our shareholders, our employees, our customers, our suppliers and our community. As such, we strive to become a "Total Caring Organisation" to embrace the all-round needs of our key stakeholders.

The Group upholds the "People-oriented" principle as our core belief and this forms the essence of our corporate culture. We respect the various needs of these "people" as our stakeholders and we strive to balance the different spectrum of interests for the development of a better future.

Our five core values namely "People", "Customers", "Quality", "Teamwork" and "Change" serve as the guiding principles for the whole team to move ahead.

We are dedicated to creating an enjoyable work environment to highly engage our employees so as to maximise their potential, meeting the needs of our customers with quality products and innovative services and enhancing cooperation with our suppliers so as to provide high-quality products and services to our customers so as to ensure our sustainable development.

Shareholders

The Company is committed to communicating with our shareholders and the financial community proactively, transparently and effectively, and thereby ensuring consistent and timely dissemination of information to shareholders and potential investors.

We have established effective channels of communication with our shareholders to ensure that the corporate information is readily accessible. Corporate communications materials with regard to regulatory disclosures and notices of the Company, such as financial reports, results announcements, corporate announcements and circulars will be distributed according to the principles of continuous disclosure, and complies with the legal and regulatory requirement applicable to the Company. Corporate communications and other general information concerning the Company and its businesses such as press releases will be posted on the corporate website (www.cfsg.com.hk) and distributed to the media as soon as practicable. The Company adheres to its corporate policy of not disclosing unpublished or potentially price-sensitive information such as sales and profit forecasts.

Employees

Our staff is regarded as the most important asset of the Group. We offer a competitive remuneration package and great opportunities for career advancement based on performance-linked appraisal system. Our passion in fostering a learning culture is recognised. We have been honoured as "Manpower Developer" at Employees Retraining Board ("ERB") Manpower Developer Award Scheme in recognition of the Group's efforts and commitment to training and development. We also provide our staff with regular trainings, including internal trainings and refresher courses offered by professional organisations, so as to keep them abreast of the latest development in the market, industry and various businesses.

The Group is committed to the well-being of our employees as we believe that a healthy body and soul will have a positive impact on people's professional and personal lives.

Along with initiatives designed to improve the health, safety and well-being of our employees, the Group also offers recreational and educational activities in different topics such as professional growth, work-life balance, health and safety, rewards and recognitions, employees' families, amazing occasions to help staff to pursue their interests, explore their full potential and recharge after work. We are the "Family-Friendly Employer" under the scheme by the Home Affairs Bureau and the Family Council in recognition of our family-friendly employment policies and practices which have positive impact to the Company and employees' family life.

In recognition of our commitment and effort in developing employee-orientated human resources management and promoting Family-friendly Employment Practices, we have been recognised as a Signatory of Good Employer Charter under the scheme by the Labour Department.

We sincerely care about our employees' retirement needs and have gone the extra mile to provide additional retirement benefits for them. We have been awarded the accolade of "Good MPF Employer 10 Years" with e-Contribution Award and MPF Support Award by the Mandatory Provident Fund Schemes Authority (MPFA).

The Group was honoured by UNICEF with the Certificate of Appreciation for being a Breastfeeding Friendly Workplace, in recognition of its support for mothers to continue breastfeeding and provide optimal nutrition to the next generation upon their return to work.

Customers

We value the customers' interests as the first priority. It is our mission to provide customers with a meaningful experience when utilising our services.

We value the feedback from customers and always try to understand their thoughts through Internet, daily communication, customers services and after-sale services etc. In addition, we also set up website, e-portal, email, Facebook and customer service hotline to respond to the feedback of customers.

We have been recognised as "Hong Kong Top Service Brand" in Hong Kong Top Brand Mark Scheme by Hong Kong Brand Development Council.

With our outstanding and professional financial services, the Group has been honoured with the accolade of "Guangdong-Hong Kong-Macao – Best Financial Service in the Greater Bay Area", in recognition of our dedication to delivering top-quality service and our significant role in the region's financial sector.

Suppliers

We firmly believe that our suppliers are equally important in building high-quality businesses. We proactively communicate with our suppliers to ensure they are committed to delivering high-quality and sustainable products and services.

Community

The Group is devoted to supporting the community in which we operate through donation, education, volunteering and encourage others to give.

Over the past years, we show our care about the community with unsparing support for wide-ranging community services and charities. We have also been encouraging our employees and their family members to take part in voluntary services after work and serve the disadvantaged in the community.

We have been awarded the accolade of "15 Years Plus Caring Company" by the Hong Kong Council of Social Service (HKCSS) in recognition of our achievements in "Caring for the Community", "Caring for the Employee" and "Caring for the Environment". It serves as a recognition for our contribution to community services and commitment to employee engagement.

The Group was honoured by UNICEF with the Certificate of Appreciation for being an Effective Outreach Partner of Say Yes To Breastfeeding Campaign 2024/25, in recognition of the Group's support in promoting breastfeeding.

ENVIRONMENTAL POLICY AND PERFORMANCE

As a total caring organisation, the Group is dedicated to keeping the environmental impact of our operations to a minimum, balancing business needs with conservation.

The Group adopted "Green Office Policy" with various measures regarding minimisation of energy and paper consumption and recycling being implemented. We also execute different types of "Green Office Campaign" in our office to enhance staff awareness and participation for environmental protection.

Over the years, the Group has participated in various environmental protection programmes and campaigns organised by reputable institutions and has been recognised with awards. In year 2024, we received Wastewi$e Certificate (Good Level) from Environmental Campaign Committee.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those have significant impact on the Group. During the year, the Group has materially complied with the relevant laws and regulations on corporate level as well as those that have a significant impact on the operations of the Group.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the audited results and the assets and liabilities of the Group for the last five financial years ended 31 December 2024 is set out on page 141 of this annual report.

PROPERTY AND EQUIPMENT

Details of movements during the year in the property and equipment of the Group are set out in note 20 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 45 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 38 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the year are set out in the section of "Consolidated Statement of Changes in Equity" in the consolidated financial statements on page 73 of this annual report.

Details of movements in the reserves of the Company during the year are set out in note 48 to the consolidated financial statements.

As at 31 December 2024, the Company's reserves available for distribution to Shareholders, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to approximately HK$8,327,000.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CONTINUING CONNECTED TRANSACTIONS

During the year under review, the Company had the following continuing connected transactions under Rules 14A.55 and 14A.56 of the Listing Rules:

(i) On 1 November 2021, Celestial Securities entered into the margin financing agreements with each of the following connected clients:

  (a) Mr Li Shing Wai Lewis (resigned as executive director of the Company on 1 June 2022 and resigned as directors of certain subsidiaries on 20 June 2023);

  (b) Mr Cheung Wai Lim William (resigned on 22 May 2023); and

  (c) Mr Cheung Wai Ching Anthony (resigned on 31 October 2023).

Pursuant to the respective margin financing agreements above, Celestial Securities granted margin financing facilities to each of the connected clients in (i) above at an annual cap of up to HK$30 million (which represents the maximum outstanding balance, including accrued outstanding interests of the margin financing facility) for each of the three financial years ending 31 December 2024. The interest rates charged are in any event no more favourable than the rates charged by Celestial Securities to independent third parties for similar services.

As at the date of the respective margin financing agreements, the connected clients in (i) above were directors or chief executive of the Group or their respective associates and were connected persons (as defined under the Listing Rules) of the Company. Therefore, the margin financing arrangement with each of the above connected clients in (i) above constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The margin financing agreements in (i) above were approved by the independent Shareholders at the SGM held on 16 December 2021. Details of the transaction were disclosed in the Company's announcements dated 1 November 2021 and 16 December 2021, and circular dated 22 November 2021.

During the year ended 31 December 2024, (i) Mr Li Shing Wai Lewis, following his resignation as executive director of the Company on 1 June 2022, he has also resigned as directors of certain subsidiaries of the Group on 20 June 2023 and therefore remained as connected person of the Company until 20 June 2024 (i.e. after 12 months of his resignation from the Group); (ii) Mr Cheung Wai Lim William, following his resignation as directors of the Company and certain subsidiaries of the Group on 22 May 2023, has ceased as connected person of the Company on 22 May 2024 (i.e. after 12 months of his resignation from the Group); and (iii) Mr Cheung Wai Ching Anthony, following his resignation as directors of subsidiaries of the Group on 31 October 2023, has ceased as connected person of the Company on 31 October 2024 (i.e. after 12 months of his resignation from the Group).

During the year ended 31 December 2024, none of the connected clients in (i) above has used the margin financing facilities.

(ii) On 20 February 2023, Celestial Securities entered into the margin financing agreements with each of the following connected clients:

(a) Mr Kwan Pak Hoo Bankee;

(b) Mr Kwan Teng Hin Jeffrey;

(c) Mr Law Hin Ong Trevor (resigned on 10 January 2024);

(d) Ms Wong Sze Kai Angela;

(e) Cash Guardian Limited; and

(f) Cashflow Credit Limited.

Pursuant to the respective margin financing agreements above, Celestial Securities granted a margin financing facilities to each of the connected clients in (ii) above for a term commencing on 20 February 2023 and ending on 31 December 2024 at an annual cap of a sum up to HK$40 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the two financial years ending 31 December 2024.

As at the date of the respective margin financing agreements, (i) each of Dr Kwan Pak Hoo Bankee, Mr Kwan Teng Hin Jeffrey, Mr Law Hin Ong Trevor and Ms Wong Sze Kai Angela is a director of the Company; (ii) Cash Guardian Limited is indirectly wholly-owned by Dr Kwan Pak Hoo Bankee; and (iii) Cashflow Credit Limited is an indirect wholly-owned subsidiary of CASH, the controlling shareholder of the Company, each of the aforesaid persons is a connected person of the Company. Therefore, the margin financing arrangement with each of the connected clients in (ii) above constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The margin financing agreements in (ii) above were approved by the independent Shareholders at the SGM held on 29 March 2023. Details of the transaction were disclosed in the joint announcement of the Company and CASH dated 20 February 2023 and the circular of the Company dated 13 March 2023.

Mr Law Hin Ong Trevor has resigned as directors of the Company and certain subsidiaries of the Group on 10 January 2024 but remained as connected person of the Company until 10 January 2025 (i.e. after 12 months of his resignation from the Group).

During the year ended 31 December 2024, the maximum amount of margin financing facilities utilised by each of the connected clients in (ii) above did not exceed the annual cap of HK$40 million.

(iii) On 20 February 2023, Celestial Securities and Celestial Commodities Limited (both being wholly-owned subsidiaries of the Company, and subsidiaries of CASH held through the Company) as service providers and CASH Algo Finance Group International Limited ("CASH Algo") (a then wholly-owned subsidiary of CASH) as customer entered into the brokerage services agreement relating to the provision of the brokerage services (being brokerage services for trading of securities, futures and options contracts in Hong Kong and/or any other overseas exchanges) for a term commencing on 20 February 2023 and ending on 31 December 2024 at an annual cap of up to HK$40 million for each of the two financial years ending 31 December 2024.

The brokerage fee would be charged on normal commercial terms and at market rates, which would not be more favourable than those available to independent third party clients of the Group.

As at the date of the brokerage services agreement, CASH Algo is a wholly-owned subsidiary of CASH (being the controlling shareholder of the Company) and a connected person of the Company. Therefore, the provision of the brokerage services constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The above brokerage services agreement was approved by the independent Shareholders at the SGM held on 29 March 2023. Details of the transaction were disclosed in the joint announcement of the Company and CASH dated 20 February 2023 and the circular of the Company dated 13 March 2023.

During the year ended 31 December 2024, the Group did not receive any brokerage fees from CASH Algo.

The Directors (including all of the INEDs) have reviewed and confirmed that the abovementioned continuing connected transactions were entered into (i) in the ordinary and usual course of the Group's business; (ii) on normal commercial terms or better; and (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company's auditor was engaged to report on the aforesaid Group's continuing connected transactions of the Company for the financial year ended 31 December 2024 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. Based on the work performed, the auditor of the Company has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in notes 35 and 44 to the consolidated financial statements and those related party transactions which are related to the continuing connected transactions of the Group as disclosed under heading "Continuing Connected Transactions" above in this section or are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the related party transactions of the Group during the year.

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the Group's turnover attributable to the five largest customers accounted for less than 30% of the Group's total turnover.

In the year under review, the Group's purchases attributable to the five largest suppliers accounted for less than 30% of the Group's total purchases.

DIRECTORS

The Directors of the Company during the year and up to the publication date of this annual report were as follows:

Executive Directors:

Kwan Pak Hoo Bankee
Kwan Teng Hin Jeffrey
Cheung Tsz Yui Morton *(was appointed on 10 January 2024)*
Wong Sze Kai Angela
Lai Wai Kwong Daryl
Chan Ching Wan Alpha *(resigned on 1 January 2024)*
Law Hin Ong Trevor *(resigned on 10 January 2024)*

Independent Non-executive Directors:

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

The following Directors shall retire and, being eligible, offer themselves for re-election at the forthcoming AGM:

(i) Dr Kwan Pak Hoo Bankee and Mr Kwan Teng Hin Jeffrey, all being EDs, shall retire at least once in every 3 years at the AGM in accordance with the Company's bye-laws and corporate governance code; and

(ii) Mr Cheng Shu Shing Raymond, Mr Lo Ming Chi Charles and Dr Chan Ho Wah Terence, all being INEDs, shall retire at the AGM in each year in accordance with their terms of office of directorship.

DISCLOSURE OF INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in this annual report, there are no other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Company within one year without payment of compensation, other than statutory obligation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed under the headings of "Continuing Connected Transactions" and "Related Party Transactions" in this section above or are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirement under Chapter 14A of the Listing Rules, no transaction, arrangement, or contract of significance to which the Group was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2024, the interests or short positions of each Director and chief executive of the Company in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) The Company

Long positions in the Shares

Name	**Capacity**	**Personal** (Number of Shares)	**Corporate Interest** (Number of Shares)	**Shareholding** (%)
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	26,124,000	277,989,563*	70.53
Kwan Teng Hin Jeffrey	Beneficial owner	4,476,000	–	1.04
Cheung Tsz Yui Morton	Beneficial owner	2,004,000	–	0.46
		32,604,000	277,989,563	72.03

* The Shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the holding company of the Company)). Pursuant to the SFO, Dr Kwan Pak Hoo Bankee ("Dr Kwan") was interested in a total of 49.79% shareholding interest in CASH, details of which are disclosed in the heading of "Substantial Shareholders" below. Dr Kwan was deemed to be interested in all these Shares held by CIGL as a result of his interests in CASH.

(B) Associated corporation (within the meaning of Part XV of the SFO) – CASH

Long positions in the ordinary shares of HK$0.20 each

Name	**Capacity**	**Personal** (Number of shares)	**Corporate Interest** (Number of shares)	**Shareholding** (%)
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	598,501	39,599,098*	49.79
		598,501	39,599,098	49.79

* The shares in CASH were held by Cash Guardian (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan). Pursuant to the SFO, Dr Kwan and Hobart Assets Limited were deemed to be interested in such shares in CASH held by Cash Guardian.

Save as disclosed above, as at 31 December 2024, none of the Directors, chief executive or their associates had any interests or short positions 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).

SHARE OPTION SCHEME

The Share Option Scheme was adopted pursuant to an ordinary resolution passed at an AGM of the Company held on 8 June 2018. The Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules effective on 1 January 2023. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the Share Option Scheme. Particulars of the terms of the Share Option Scheme are set out in note 42 to the consolidated financial statements.

Details of the movements in the share options to subscribe for the Shares granted under the Share Option Scheme during the year ended 31 December 2024 are set out below.

					Number of options		
Participants	**Date of grant**	**Exercise period**	**Exercise price per share** (HK$)	**Notes**	**outstanding as at 1 January 2024**	**lapsed during the year** (Note (6))	**outstanding as at 31 December 2024**
Directors	29/07/2021	01/08/2021 – 31/07/2025	0.572	(1), (3)	300,000	(300,000)	–
Other Employee Participants (Note (4))	29/07/2021	01/08/2021 – 31/07/2025	0.572	(1), (2), (3)	450,000	(300,000)	150,000
Related Entity Participants (Note (5))	29/07/2021	01/08/2021 – 31/07/2025	0.572	(1), (2), (3)	750,000	(375,000)	375,000
					1,500,000	(975,000)	525,000

Notes:

(1) The options are vested in 4 tranches as to 25% exercisable from 1 August 2021 to 31 July 2022, 25% exercisable from 1 August 2022 to 31 July 2023, 25% exercisable from 1 August 2023 to 31 July 2024 and 25% exercisable from 1 August 2024 to 31 July 2025 respectively.

(2) The options are subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved by the chairman of the Board and/or the Board determined at their sole discretion.

(3) The options must be exercised within 1 month from the date on which the Board's approval of the vesting of the options.

(4) Other Employee Participants include employees of the Company and its subsidiaries.

(5) Related Entity Participants include directors and employees of holding companies, fellow subsidiaries or associated companies of the Company.

(6) The lapsed options were due to expiry of the options in accordance with the terms of the share options.

(7) No option was granted, exercised or cancelled during the year.

(8) The total number of Shares available for issue under the Share Option Scheme is 26,642,477, representing approximately 6.34% of the weighted average number of issued Shares as at the date of this annual report.

(9) The number of options available for grant under the mandate of the Share Option Scheme as at 1 January 2024 and 31 December 2024 were 26,117,477.

SHARE AWARD SCHEME

The Company adopted the share award scheme (the "Share Award Scheme") on 1 December 2022. During the year ended 31 December 2024, 18,282,000 Shares were acquired by the trustee. As at 31 December 2024, the trustee held a total of 18,282,000 Shares. As at 1 January 2024 and 31 December 2024, the total number of shares available for grant under the Share Award Scheme was 26,117,477 shares.

Particulars of the terms of the Share Award Scheme are set out in note 43 to the consolidated financial statements.

No share award has been granted under the Share Award Scheme during the period from the date of adoption to the end of the year ended 31 December 2024.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, so far as is known to the Directors and chief executive of the Company, the persons/companies (other than a Director or chief executive of the Company) who had, or were deemed or taken to have an interest or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Name	Capacity	Number of Shares	Shareholding (%)
Hobart Assets Limited (Note)	Interest in a controlled corporation	277,989,563	64.47
Cash Guardian (Note)	Interest in a controlled corporation	277,989,563	64.47
CASH (Note)	Interest in a controlled corporation	277,989,563	64.47
Praise Joy Limited (Note)	Interest in a controlled corporation	277,989,563	64.47
CIGL (Note)	Beneficial owner	277,989,563	64.47

Note:

This refers to the same number of 277,989,563 Shares held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the holding company of the Company)). CASH was owned as to a total of approximately 49.79% by Dr Kwan, being approximately 49.05% by Cash Guardian (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan) and approximately 0.74% by Dr Kwan in his personal name. Pursuant to the SFO, Dr Kwan, Hobart Assets Limited and Cash Guardian were deemed to be interested in all the Shares held by CIGL through CASH. The above interest has already been disclosed as corporate interest of Dr Kwan in the section headed "Directors' interests in securities" above.

Save as disclosed above, as at 31 December 2024, the Directors and chief executive of the Company were not aware of any other parties or corporation (other than a Director or chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of its Shares in the hands of the public in accordance with the Listing Rules as at the latest practicable date prior to the issue of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save as the share option scheme and the share award scheme of the Company as disclosed in notes 42 and 43 respectively to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the financial year.

CONFIRMATION OF INDEPENDENCE

The Company has received a written confirmation in respect of independence from each of the INEDs in compliance with rule 3.13 of the Listing Rules, and the Company still considers that each of them to be independent.

AUDITOR

There have been no changes of auditor in the preceding three years.

The consolidated financial statements of the Company for the year were audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Dr Bankee P. Kwan, *BBS, JP*
Chairman & CEO

Hong Kong, 28 March 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF CASH FINANCIAL SERVICES GROUP LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of CASH Financial Services Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 70 to 140, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory 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 HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of 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 Auditor's 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 judgment, 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.

Key audit matter	How our audit addressed the key audit matter
Valuation of financial assets at fair value through other comprehensive income ("FVTOCI") classified as level 3 under fair value hierarchy	
We identified the valuation of financial assets at FVTOCI classified as level 3 under fair value hierarchy as a key audit matter due to the significance of the judgment and estimates made by the management and the subjectivity in determination of level 3 fair value given the lack of marketability and the significant unobservable inputs. The total fair value of financial assets at FVTOCI classified as level 3 amounted to HK$4,806,000 as at 31 December 2024 and the key sources of estimation uncertainty are disclosed in notes 5 and 40 to the consolidated financial statements.	Our audit procedures for the valuation of financial assets at FVTOCI classified as level 3 under fair value hierarchy include: • assessing the independence, competence, capabilities and objectivity of the professional valuer engaged by the Group and its experience in conducting similar valuation; • evaluating the appropriateness of the valuation methodologies and assumptions based on the industry knowledge; • evaluating the appropriateness and consistency of the valuation techniques used by the management; • evaluating the rationale of management's judgment on the significant inputs; • examining supporting documents and assessing the reasonableness of significant inputs; and • performing sensitivity analysis with reference to available market information to evaluate the reasonableness of the range of valuation results and performing independent valuation together with our internal valuation specialist and comparing the valuation with the Group's valuation.

OTHER INFORMATION

The directors of the Company 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 auditor's report thereon.

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 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 HKFRS Accounting Standards 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 of the Company 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.

AUDITOR'S 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 auditor's 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. 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 judgment 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 auditor's 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 auditor's 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- 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.

We communicate with 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 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 auditor's 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 partner on the audit resulting in this independent auditor's report is Lee, Wai Kit Alex.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	**2024 HK$'000**	2023 HK$'000
Revenue			
Fee and commission income	6	**27,957**	28,599
Interest income	7	**22,811**	29,766
Total revenue		**50,768**	58,365
Other income	9	**2,368**	9,332
Other gains (losses)	10	**21,883**	(629)
Salaries and related benefits	11	**(45,535)**	(41,521)
Commission expenses		**(4,777)**	(12,289)
Depreciation	20	**(10,570)**	(13,261)
Finance costs	14	**(9,985)**	(12,366)
Impairment losses under expected credit loss model, net of reversal	15	**(381)**	(42,906)
Other operating expenses	16	**(35,314)**	(36,862)
Loss before taxation		**(31,543)**	(92,137)
Income tax credit (expense)	17	**1,814**	(2,494)
Loss for the year		**(29,729)**	(94,631)
Other comprehensive (expense) income			
Item that will not be reclassified to profit or loss:			
Fair value (loss) gain on financial assets at fair value through other comprehensive income		**(4,072)**	1,493
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(591)**	(1,757)
Other comprehensive expense for the year		**(4,663)**	(264)
Total comprehensive expense for the year		**(34,392)**	(94,895)
(Loss) profit attributable to:			
Owners of the Company		**(35,102)**	(95,247)
Non-controlling interests		**5,373**	616
		(29,729)	(94,631)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(40,011)**	(94,650)
Non-controlling interests		**5,619**	(245)
		(34,392)	(94,895)
Loss per share	18		
– Basic (HK cents)		**(8.36)**	(27.00)
– Diluted (HK cents)		**(8.36)**	(27.00)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Non-current assets			
Property and equipment	20	**10,294**	20,547
Intangible assets	21	**4,041**	4,041
Club debentures	22	**660**	660
Other assets	23	**4,280**	4,792
Rental and utility deposits		**1,137**	1,320
Financial assets at fair value through other comprehensive income	24	**4,806**	25,821
Financial assets at fair value through profit or loss	30	**4,592**	4,691
		29,810	61,872
Current assets			
Accounts receivable	25	**117,166**	128,766
Contract assets	26	**911**	2,838
Loans receivable	27	**7,686**	4,288
Prepayments, deposits and other receivables	28	**120,770**	134,392
Financial assets at fair value through profit or loss	30	**40,425**	36,284
Fixed deposits with original maturity over three months	29(b)	**423**	–
Bank balances – trust and segregated accounts	29(a)	**308,246**	346,215
Bank balances (general accounts) and cash	29(a)	**88,488**	154,443
		684,115	807,226
Current liabilities			
Accounts payable	32	**351,582**	376,166
Accrued liabilities and other payables	33	**23,607**	33,880
Taxation payable		**2,015**	3,000
Bank borrowings	34	**46,025**	80,111
Loan from a related party	35	**–**	36,060
Amounts due to fellow subsidiaries	31	**29,805**	53,772
Provision for restoration		**1,630**	103
Financial liabilities arising from consolidated investment funds	46	**1,515**	122
Lease liabilities	37	**5,991**	10,221
		462,170	593,435
Net current assets		**221,945**	213,791
Total assets less current liabilities		**251,755**	275,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Non-current liabilities			
Loan from a related party	35	**25,103**	–
Deferred tax liabilities	36	**9,297**	11,111
Lease liabilities	37	**285**	7,055
Provision for restoration		**–**	1,630
		34,685	19,796
Net assets		**217,070**	255,867
Capital and reserves			
Share capital	38	**17,247**	17,247
Reserves		**189,533**	233,949
Equity attributable to owners of the Company		**206,780**	251,196
Non-controlling interests		**10,290**	4,671
Total equity		**217,070**	255,867

The consolidated financial statements on pages 70 to 140 were approved and authorised for issue by the Board of Directors on 28 March 2025 and are signed on its behalf by:

KWAN PAK HOO BANKEE
DIRECTOR

CHEUNG TSZ YUI MORTON
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity holders of the Company										
	Share capital HK$'000	Shares held for share award scheme HK$'000	Share premium HK$'000	Other reserve HK$'000 (note a)	Contributed surplus HK$'000 (note b)	Investments revaluation reserve HK$'000	Translation reserve HK$'000	Retained earnings (accumulated losses) HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2023	10,447	–	9,325	113,359	117,788	(15,288)	1,083	89,837	326,551	4,916	331,467
(Loss) profit for the year	–	–	–	–	–	–	–	(95,247)	(95,247)	616	(94,631)
Fair value gain on financial assets at fair value through other comprehensive income	–	–	–	–	–	1,493	–	–	1,493	–	1,493
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(896)	–	(896)	(861)	(1,757)
Other comprehensive income (expense) for the year	–	–	–	–	–	1,493	(896)	–	597	(861)	(264)
Total comprehensive income (expense) for the year	–	–	–	–	–	1,493	(896)	(95,247)	(94,650)	(245)	(94,895)
Issue of ordinary shares (Note 38)	2,000	–	18,895	–	–	–	–	–	20,895	–	20,895
Consideration paid for the acquisition under common control (Note 2)	4,800	–	46,200	(52,600)	–	–	–	–	(1,600)	–	(1,600)
At 31 December 2023	17,247	–	74,420	60,759	117,788	(13,795)	187	(5,410)	251,196	4,671	255,867
(Loss) profit for the year	–	–	–	–	–	–	–	(35,102)	(35,102)	5,373	(29,729)
Fair value loss on financial assets at fair value through other comprehensive income	–	–	–	–	–	(4,072)	–	–	(4,072)	–	(4,072)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	(837)	–	(837)	246	(591)
Other comprehensive (expense) income for the year	–	–	–	–	–	(4,072)	(837)	–	(4,909)	246	(4,663)
Total comprehensive (expense) income for the year	–	–	–	–	–	(4,072)	(837)	(35,102)	(40,011)	5,619	(34,392)
Transferred to accumulated losses (Note 24)	–	–	–	–	–	(1,342)	–	1,342	–	–	–
Purchase of shares held for share award scheme	–	(4,405)	–	–	–	–	–	–	(4,405)	–	(4,405)
At 31 December 2024	17,247	(4,405)	74,420	60,759	117,788	(19,209)	(650)	(39,170)	206,780	10,290	217,070

Notes:

(a) The other reserve of the Group represents i) the reserve arising from the change in the Group's ownership interest in existing subsidiary without losing control and ii) the difference between the consideration for the acquisition of 51% equity of CASH Algo Finance Group International Limited from Confident Profits Limited, a fellow subsidiary of the Company and the share capital of CASH Algo Finance Group International Limited in prior year as detailed in note 2.

(b) The contributed surplus of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate of the nominal amount of the issued share capital and the reserves of CASH on-line Limited, the holding company of the Group prior to the group reorganisation, pursuant to the group reorganisation after deducting the expenses in connection with the listing of the Company's shares and the acquisition of subsidiaries, and the net amount arising from the capital reduction, reduction of share premium account and amounts transferred to eliminate accumulated losses.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Operating activities			
Loss before taxation		**(31,543)**	(92,137)
Adjustments for:			
Depreciation of property and equipment	20	**10,570**	13,261
Interest expense	14	**9,985**	12,366
Interest income	7 & 9	**(22,904)**	(29,875)
Dividend income	10	**(811)**	(850)
Net gain on financial liabilities arising from consolidated investment funds	10	**(33)**	(5,635)
Net (gains) loss on fair value changes of financial assets at fair value through profit or loss	10	**(23,075)**	2,044
Loss on disposal of property and equipment	10	**855**	21
Impairment losses under expected credit loss model, net of reversal	15	**381**	42,906
Write-off of intangible asset	10	**–**	5,051
Operating cash flows before movements in working capital		**(56,575)**	(52,848)
Decrease in other assets		**512**	561
Decrease (increase) in contract assets		**1,927**	(83)
Decrease in accounts receivable		**11,096**	16,369
(Increase) decrease in loans receivable		**(3,275)**	7,083
Decrease in prepayments, deposits and other receivables		**13,927**	7,044
Decrease (increase) in financial assets at fair value through profit or loss		**19,033**	(4,785)
Decrease in bank balances – trust and segregated accounts		**37,969**	135,981
Decrease in accounts payable		**(24,584)**	(134,759)
Decrease in accrued liabilities and other payables		**(10,273)**	(7,996)
Cash used in operations		**(10,243)**	(33,433)
Interest received		**22,811**	29,766
Income taxes paid, net		**(985)**	–
Dividend received		**811**	850
Net cash from (used in) operating activities		**12,394**	(2,817)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Investing activities			
Purchase of property and equipment		**(24)**	(124)
Placement of fixed deposits with original maturity over three months		**(423)**	–
Consideration paid for acquiring subsidiary under common control		**–**	(1,600)
Proceeds from disposal of equity investments at FVTOCI		**16,943**	–
Net cash from (used in) investing activities		**16,496**	(1,724)
Financing activities			
Issuance of shares	38	**–**	20,895
Repayments of lease liabilities	41	**(12,137)**	(13,802)
Advances from bank borrowings	41	**8,500**	50,000
Repayment of bank borrowings	41	**(42,500)**	(50,000)
Repayments to related party	41	**(10,767)**	(31,662)
Interest paid on lease liabilities	41	**(411)**	(910)
Interest paid on bank borrowings	41	**(3,623)**	(5,105)
Interest paid on loan from a related party	41	**(3,594)**	(3,394)
Interest paid on amounts due to fellow subsidiaries	41	**(2,633)**	(2,049)
Repayment to a fellow subsidiary	41	**(23,967)**	(51,029)
Contribution from third party investors to consolidated investment funds		**2,988**	10
Redemption to third party investors of consolidated investment funds		**(1,562)**	(19)
Purchase of shares held for share award scheme		**(4,405)**	–
Net cash used in financing activities		**(94,111)**	(87,065)
Net decrease in cash and cash equivalents		**(65,221)**	(91,606)
Cash and cash equivalents at beginning of year		**154,443**	247,991
Effect of change in foreign exchange rate		**(734)**	(1,942)
Cash and cash equivalents at end of year		**88,488**	154,443
Analysis of:			
Bank balances (general accounts) and cash		**88,488**	154,443

1. GENERAL

CASH Financial Services Group Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Celestial Investment Group Limited ("CIGL") and Celestial Asia Securities Holdings Limited ("CASH") are the immediate holding company and the ultimate holding company of the Company respectively. CASH is a company incorporated in Bermuda with its shares listed on the Stock Exchange and produces financial statements available for public use.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, while the address of the principal place of business of the Company is 22/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong.

The Company and its subsidiaries (the "Group") are principally engaged in the following activities:

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

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

2. MERGER ACCOUNTING FOR BUSINESS COMBINATION INVOLVING A SUBSIDIARY UNDER COMMON CONTROL

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

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

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

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

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

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

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

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

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

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

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1 "*Presentation of Financial Statements*", introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 "*Accounting Policies, Changes in Accounting Estimates and Errors*" and HKFRS 7 "*Financial Instruments: Disclosures*". Minor amendments to HKAS 7 "*Statement of Cash Flows*" and HKAS 33 "*Earnings per Share*" are also made.

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

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of preparation of consolidated financial statements

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

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group is exposed, or has rights, to variable returns of an investee in which the Group also acts as a general partner, and the Group also determines whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant funds.

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the funds, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Basis of consolidation (continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Merger accounting for business combination involving businesses under common control

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Leases

Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 "*Lease*" at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in "property and equipment", the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "*Financial Instruments*" ("HKFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Cash and cash equivalents

Bank balances (general accounts) and cash presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term deposits (generally with original maturity of three months or less). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances (general accounts) and cash as defined above. Bank balances held under trust and segregated accounts are excluded from the Group's cash and cash equivalents and the relevant cash flow are presented under operating activities.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Borrowing costs

All borrowing costs, that are not directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to defined contribution plans including state-managed benefit scheme and the Mandatory Provident Fund Scheme ("MPF Scheme") are recognised as expenses when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standards requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Taxation (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property and equipment

Property and equipment held for supply of goods or services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on property and equipment and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property and equipment (including right-of-use assets) and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment (including right-of-use assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Impairment on property and equipment (including right-of-use assets) and intangible assets (continued)

The recoverable amount of property and equipment (including right-of-use assets) and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value 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 the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or the group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or the group of CGUs) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments

Financial assets and financial liabilities are recognised 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 that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "*Revenue from Contracts with Customers*". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 (Revised) "*Business Combinations*" applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Equity instruments designated as at fair value through other comprehensive income ("FVTOCI")

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and is transferred to retained earnings (accumulated losses).

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains (losses)" line item.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including accounts receivable, loans receivable, deposits and other receivables, fixed deposits with original maturity over three months and bank balances) and other items (representing contract assets) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the counterparties, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

The Group always recognises lifetime ECL for contract assets and accounts receivables arising from contracts with customers. The ECL on these assets are assessed based on the Group's exposure at default ("EAD"), historical default rates or default rates by reference to the Probability of Default ("PD"), Loss Given Default ("LGD") over the expected life and is adjusted for forward-looking estimates.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, 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:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition if contractual payments are more than 30 days past due, with the exception of accounts receivable arising from the business of margin financing, where a longer past-due period is permitted. This presumption is rebutted because the Group has reasonable and supportable information that demonstrates otherwise.

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.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers the event of default occurs when the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

In respective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due, with the exception of accounts receivable arising from the business of margin financing, where a longer past-due period is permitted. This presumption is rebutted because the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the PD, LGD (i.e. the magnitude of the loss if there is a default) and the EAD. The assessment of the PD and LGD is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for contract assets and accounts receivable except for those from margin clients are considered on a collective basis taking into consideration past due information, relevant credit information and forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Nature of financial instruments;
- Loan to collateral value ratio ("LTV");
- Past-due status; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of loans receivable and accounts receivable where the corresponding adjustment is recognised through a loss allowance account.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "other gains (losses)" line item (note 10) as part of the net foreign exchange (loss) gain;

- For financial assets measured at FVTPL, exchange differences are recognised in profit or loss in the "other gains (losses)" line item as part of the net gains (losses) on financial assets at FVTPL (note 10);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings (accumulated losses).

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Where the shares of the Company are purchased under the share award scheme, the consideration paid, including any directly attributable incremental costs, is presented as "Shares held for Share Award Scheme" and deducted from equity.

4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

(i) Financial liabilities at FVTPL arising from consolidated investment funds

A financial instrument that gives the holder the right to put it back to the Group for cash or another financial asset (a "puttable instrument") is a financial liability. The financial instrument is a financial liability even when the amount of cash or other financial assets is determined on the basis that has the potential to increase or decrease.

Net assets attributable to holders of consolidated investment funds are determined based on the attributable shares or units of the residual assets of the consolidated investment funds after deducting the consolidated investment fund's other liabilities. The holders have the right to put their attributable shares to the fund for cash with no cause.

Financial liabilities at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other gains (losses)" line item.

As at the end of the reporting period, such financial liability of net assets attributable to holders of non-controlling interests in consolidated investment funds is presented as "financial liabilities arising from consolidated investment funds" in the consolidated statement of financial position.

(ii) Financial liabilities at amortised cost

Financial liabilities including accounts payable, other payables, bank borrowings and loan from a related party and amounts due to fellow subsidiaries are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other gains (losses)" line item in profit or loss (note 10) as part of net foreign exchange (loss) gain.

Derecognition 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.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount is presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment under ECL model for accounts receivable arising from margin financing

The impairment assessment under ECL model for accounts receivable arising from margin financing is an area that requires the use of models and management assumptions about future economic conditions and the credit risk of the margin clients.

In applying the accounting requirements for measuring ECL, the management applies significant judgements, estimation and assumptions to determine criteria for significant increase in credit risk, select appropriate models and assumptions for the measurement of ECL and consider the forward-looking scenarios.

Inputs, assumptions and estimation techniques

ECL of accounts receivable arising from margin financing is measured by the Group on either a 12-month or lifetime basis depending on whether they are in Stage 1, 2 (credit risk has increased significantly since initial recognition) or 3 (credit-impaired) as defined in note 40. In assessing whether the credit risk of a financial asset has significantly increased, the Group considered the historical trend in LTV ratio as well as qualitatively, if applicable, and quantitatively reasonable and supportable forward-looking information available without undue cost or effort. ECL is the discounted product of expected future cash flows by using the PD, LGD and EAD, of which PD and LGD are based on significant management judgement and estimation. For non-credit impaired accounts receivable arising from margin financing, the management performed collective assessment and ECL are estimated on a portfolio basis based on the Group's historical default and loss data and adjusted for forward-looking factors that are available without undue cost or effort. For credit-impaired receivable arising from margin financing, the management performed individual assessment for each client by considering various factors, including the realisable value of securities or collaterals held by the Group.

Forward-looking information

The calculation of ECL considers forward-looking information through the use of gross domestic product and unemployment rate and management judgement to reflect the qualitative factors and through the use of multiple probability weighted scenarios of the market performance.

Details of the impairment assessment of accounts receivable arising from margin financing are disclosed in note 40.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Estimated impairment of property and equipment (including right-of-use assets) and intangible assets

Property and equipment (including right-of-use assets) and intangible assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, the higher of the net present value of future cash flows which are estimated based upon the continued use of the asset in the case of value in use or fair value less cost of disposal; and (3) the appropriate key inputs to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate in determining value in use. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the inputs and estimates could materially affect the relevant the recoverable amounts of the various CGUs.

As at 31 December 2024, in view of impairment indicators, the Group performed impairment assessment on property and equipment (including right-of-use assets) with carrying amount of HK$10,294,000 (2023: HK$20,547,000). No impairment losses have been recognised on property and equipment during the years ended 31 December 2024 and 2023. Details of the impairment assessment of property and equipment are disclosed in note 20.

Income taxes

Deferred tax asset of HK$1,814,000 (2023: nil) in relation to unused tax losses of HK$7,256,000 (2023: nil) for certain PRC subsidiaries has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on unused tax losses approximately HK$676,254,000 (2023: HK$647,406,000) and deductible temporary differences of HK$44,576,000 (2023: HK$43,597,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the inflation, may progress and evolve. In case where the actual future profits generated are more than expected, recognition of deferred tax asset in relation to estimated unused tax losses and deductible temporary differences may arise, which would be recognised in the profit or loss for the period in which such a recognition takes place.

Fair value of financial assets at FVTOCI

The Group holds financial instruments that are not listed and are not traded in active markets. The Group employs valuation methods and makes assumptions that are based on market conditions as at the reporting date. These investments are valued by independent external valuation specialists based on generally accepted valuation models. The model may employ observable data where available and to the extent practicable. However, the model may also use unobservable data such as the discount factor for lack of marketability, the determination of these unobservable inputs used in the model may involve subjective judgement and estimates.

Whilst the Group considers these valuations are the best estimates, the inflationary environment may result in greater volatility and uncertainty to the investees' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions or inputs could affect the reported fair values of these instruments. Details of valuation methodologies or inputs are set out in note 40 to the consolidated financial statements.

6. FEE AND COMMISSION INCOME

(i) Disaggregation of revenue from contracts with customers

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

	2024 HK$'000	2023 HK$'000
Timing of revenue recognition		
A point in time	**26,590**	23,866
Over time	**1,367**	4,733
Total	**27,957**	28,599

	2024 HK$'000	2023 HK$'000
Geographical markets		
Hong Kong	**22,862**	24,054
Mainland China	**5,095**	4,545
Total	**27,957**	28,599

Fee and commission income of HK$22,862,000 (2023: HK$24,054,000) is presented as financial services segment revenue and HK$5,095,000 (2023: HK$4,545,000) is presented as investment management segment revenue respectively in the segment information in note 8.

6. FEE AND COMMISSION INCOME (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Broking services

The Group provides broking services to customers on securities, futures and options trading. Commission income from broking services is determined at a certain percentage of the transaction value of the trades executed and is recognised as income on the date the trades are executed (i.e. at a point in time). Normal settlement terms are one or two days after trade date, unless specifically agreed with counterparties.

Wealth management services

The Group provides placement services for general and life insurances, mutual funds and Mandatory Provident Fund products to customers. Revenue is recognised at a point in time when the placement is successful. Revenue is calculated at a certain percentage of the premium receivable for certain period of the mutual funds and insurance-linked investment products, subject to constraints on variable consideration. The Group receives a certain percentage of the premium paid for a certain period over the life of the underlying products after satisfying its performance obligation, depending on the payment terms of the products. The Group has considered the effects of financing component on the consideration as insignificant.

Investment management services

Investment management services to customers are recognised over time as the Group provides investment management services and the customers simultaneously receives and consumes the benefit provided by the Group. The investment management income is charged at a fixed percentage per annum of the asset value of the accounts under management of the Group. The fees are recognised progressively over time using a method that depicts the Group's performance.

The Group is also entitled to a performance fee for certain accounts when pre-set performance target for the relevant performance period is met. The performance fee is recognised at a point in time when it is highly probable that a significant reversal in the revenue recognised will not occur when the performance target is evaluated on an annual basis for each of the account. Management fee is normally due on account opening date and the subsequent anniversary date while performance fee is normally due at the end of the relevant performance period.

Handling and other services

The Group provides services in securities, futures and options trading and customer's account handling. Handling and other services fee income are recognised when the transactions are executed and services are completed.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

6. FEE AND COMMISSION INCOME (continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (continued)

Variable consideration

For contracts that contain variable consideration, such as performance fee from investment management services, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applied the practical expedient for contracts with original expected duration less than one year, and did not disclose the aggregate amount of transaction price allocated to performance obligations of the services that are unsatisfied (or partly unsatisfied).

7. INTEREST INCOME

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

Interest income of HK$21,100,000 (2023: HK$28,104,000) and HK$1,711,000 (2023: HK$1,662,000) are presented as financial services segment revenue and investment management segment revenue respectively in the segment information in note 8.

8. SEGMENT INFORMATION

Reportable and operating segment

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

Segment revenue and result

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment loss represents the loss incurred by the segment before certain net foreign exchange (loss) gain and unallocated corporate expenses.

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

For the year ended 31 December 2024

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

For the year ended 31 December 2023

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

All the segment revenue is derived from external customers.

8. SEGMENT INFORMATION (continued)

Reportable and operating segment (continued)

Segment assets and liabilities

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

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

As at 31 December 2024

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

8. SEGMENT INFORMATION (continued)

Reportable and operating segment (continued)

Segment assets and liabilities (continued)

As at 31 December 2023

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

8. SEGMENT INFORMATION (continued)

Other information

For the year ended 31 December 2024

	Financial services HK$'000	**Investment management HK$'000**	**Unallocated amount HK$'000**	**Total HK$'000**
Amounts included in the measure of segment profit or loss or segment assets:				
Addition to non-current assets	**1,156**	**–**	**18**	**1,174**
Depreciation of property and equipment	**(7,997)**	**(1,764)**	**(809)**	**(10,570)**
Finance costs	**(9,840)**	**(123)**	**(22)**	**(9,985)**
Net gains on financial assets at FVTPL	**1,738**	**21,337**	**–**	**23,075**
Impairment losses, net of reversal				
– accounts receivable	**(504)**	**–**	**–**	**(504)**
– loans receivable	**123**	**–**	**–**	**123**
Net foreign exchange (loss) gain	**(329)**	**4**	**(45)**	**(370)**

For the year ended 31 December 2023

	Financial services HK$'000	Investment management HK$'000	Unallocated amount HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:				
Addition to non-current assets	79	1,498	45	1,622
Depreciation of property and equipment	(11,296)	(1,892)	(73)	(13,261)
Finance costs	(12,147)	(219)	–	(12,366)
Net (losses) gains on financial assets at FVTPL	(12,633)	10,710	(121)	(2,044)
Impairment losses, net of reversal				
– accounts receivable	(43,283)	–	–	(43,283)
– loans receivable	377	–	–	377
Net foreign exchange gain (loss)	168	(22)	706	852

8. SEGMENT INFORMATION (continued)

Other information (continued)

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

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

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

9. OTHER INCOME

	2024	2023
	HK$'000	HK$'000
Imputed interest income on rental deposits	**93**	109
Sundry income	**2,275**	9,223
	2,368	9,332

10. OTHER GAINS (LOSSES)

	2024	2023
	HK$'000	HK$'000
Net gains (losses) on financial assets at FVTPL (note)	**23,075**	(2,044)
Net gain on financial liabilities arising from consolidated investment funds	**33**	5,635
Loss on disposal of property and equipment	**(855)**	(21)
Write-off of intangible asset	**–**	(5,051)
Net foreign exchange (loss) gain	**(370)**	852
	21,883	(629)

Note: The amount includes dividend income of HK$811,000 (2023: HK$850,000) from financial assets at FVTPL.

11. SALARIES AND RELATED BENEFITS

	2024 HK$'000	2023 HK$'000
Salaries and related benefits represent the amounts paid and payable to the directors of the Company and employees of the Group, and comprise:		
Salaries and allowances	44,521	40,487
Contributions to retirement benefits schemes	1,014	1,034
	45,535	41,521

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and Chief Executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2024

	Kwan Pak Hoo Bankee HK$'000 (note (a))	Chan Ching Wan Alpha HK$'000 (note (f))	Kwan Teng Hin Jeffrey HK$'000	Cheung Tsz Yui Morton HK$'000 (note (b))	Lai Wai Kwong Daryl HK$'000 (note (d))	Law Hin Ong Trevor HK$'000 (note (b))	Wong Sze Kai Angela HK$'000	Total 2024 HK$'000
(A) EXECUTIVE DIRECTORS								
Fees								
Other emoluments:								
Salaries and allowances	1,800	–	360	600	405	53	600	3,818
Retirement benefits	15	–	18	18	16	2	18	87
Sub-total	1,815	–	378	618	421	55	618	3,905

	Chan Ho Wah Terence HK$'000 (note (e))	Lo Ming Chi Charles HK$'000	Cheng Shu Shing Raymond HK$'000	Total 2024 HK$'000
(B) INDEPENDENT NON-EXECUTIVE DIRECTORS				
Fees	150	150	150	450
Sub-total	150	150	150	450
Total				4,355

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

For the year ended 31 December 2023

	Kwan Pak Hoo Bankee HK$'000 (note (a))	Chan Ching Wan Alpha HK$'000 (note (f))	Kwan Teng Hin Jeffrey HK$'000	Cheung Wai Lim William HK$'000 (note (c))	Lai Wai Kwong Daryl HK$'000 (note (d))	Law Hin Ong Trevor HK$'000 (note (b))	Wong Sze Kai Angela HK$'000	Total 2023 HK$'000
(A) EXECUTIVE DIRECTORS								
Fees								
Other emoluments:								
Salaries and allowances	1,800	1,089	540	409	–	890	690	5,418
Retirement benefits	18	18	18	9	–	18	18	99
Sub-total	1,818	1,107	558	418	–	908	708	5,517

	Chan Ho Wah Terence HK$'000 (note (e))	Lo Kwok Hung John HK$'000 (note (e))	Lo Ming Chi Charles HK$'000	Cheng Shu Shing Raymond HK$'000	Total 2023 HK$'000
(B) INDEPENDENT NON-EXECUTIVE DIRECTORS					
Fees	86	66	150	150	452
Sub-total	86	66	150	150	452
Total					5,969

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Notes:

(a) Dr Kwan Pak Hoo Bankee was Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(b) During the year ended 31 December 2024, Mr Cheung Tsz Yui Morton was appointed executive directors of the Company and Mr Law Hin Ong Trevor resigned as director of the Company.

(c) During the year ended 31 December 2023, Mr Cheung Wai Lim William resigned as executive director of the Company.

(d) During the year ended 31 December 2023, Mr Lai Wai Kwong Daryl was appointed as executive director of the Company.

(e) During the year ended 31 December 2023, Dr Chan Ho Wah Terence was appointed as independent non-executive director of the Company and Mr Lo Kwok Hung John resigned as independent non-executive director of the Company.

(f) During the year ended 31 December 2023, Mr Chan Ching Wan Alpha were appointed as executive director of the Company. He resigned as executive director during the year ended 31 December 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

13. EMPLOYEES' REMUNERATION

One (2023: two) of the five individuals with the highest emoluments in the Group were directors of the Company for the year ended 31 December 2024. Details of these directors' emolument are included in the disclosures in note 12 above. For the year ended 31 December 2024, the emolument of the remaining four (2023: three) individuals were as follows:

	2024 **HK$'000**	2023 HK$'000
Salaries and allowances	**3,205**	2,640
Contributions to retirement benefits schemes	**67**	54
Performance-based incentive payments	**1,776**	7,520
	5,048	10,214

For the year ended 31 December 2024, the remuneration of the four individuals (other than directors) (2023: three) was within the following bands:

	Number of employees 2024	Number of employees 2023
Nil to HK$1,000,000	**2**	–
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	–
HK$3,500,001 to HK$4,000,000	**–**	1
HK$5,000,001 to HK$5,500,000	**–**	1
	4	3

14. FINANCE COSTS

	2024 **HK$'000**	2023 HK$'000
Interest on bank borrowing	**3,537**	5,152
Interest on amounts due to fellow subsidiaries	**2,633**	2,049
Interest on lease liabilities	**411**	910
Interest on loan from a related party	**3,404**	4,255
	9,985	12,366

15. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2024 HK$'000	2023 HK$'000
Net impairment losses/(reversal) recognised on:		
Accounts receivable	**504**	43,283
Loans receivable	**(123)**	(377)
	381	42,906

Details of impairment assessment for the years ended 31 December 2024 and 2023 are set out in note 40.

16. OTHER OPERATING EXPENSES

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

17. INCOME TAX (CREDIT) EXPENSE

	2024 HK$'000	2023 HK$'000
Current tax:		
Hong Kong	**–**	–
PRC	**–**	–
Deferred tax (note 36)	**(1,814)**	2,494
	(1,814)	2,494

17. INCOME TAX (CREDIT) EXPENSE (continued)

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

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

The income tax (credit) expense for the year can be reconciled to the loss before taxation as per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **HK$'000**	2023 HK$'000
Loss before taxation	**(31,543)**	(92,137)
Taxation at income tax rate of 16.5%	**(5,205)**	(15,203)
Tax effect of expenses not deductible for tax purpose	**1,393**	7,096
Tax effect of income not taxable for tax purpose	**(2,294)**	(2,664)
Tax effect of utilisation of tax losses previously not recognised	**(3,503)**	(771)
Tax effect of utilisation of temporary differences previously not recognised	**(1)**	(718)
Tax effect of temporary difference not recognised	**163**	–
Tax effect of tax losses not recognised	**7,946**	14,064
Effect of different tax rates of subsidiaries operating in another jurisdiction	**(313)**	690
Income tax (credit) expense	**(1,814)**	2,494

18. LOSS PER SHARE

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

Loss

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

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

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

19. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the years ended 31 December 2024 and 2023.

20. PROPERTY AND EQUIPMENT

	Right-of-use assets – leased properties	Leasehold improvements	Furniture and fixtures	Computer and equipment	Motor vehicle	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST						
At 1 January 2023	84,083	19,432	5,969	10,737	836	121,057
Exchange adjustments	59	–	–	–	–	59
Additions	1,498	–	50	74	–	1,622
Written-off	(8,960)	(1,827)	(135)	–	–	(10,922)
At 31 December 2023	76,680	17,605	5,884	10,811	836	111,816
Exchange adjustments	–	–	(11)	–	–	(11)
Additions	1,150	18	–	6	–	1,174
Disposal	(1,498)	–	–	–	–	(1,498)
Written-off	(24,421)	–	–	–	–	(24,421)
At 31 December 2024	51,911	17,623	5,873	10,817	836	87,060
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2023	59,355	13,823	5,550	9,961	70	88,759
Exchange adjustments	32	–	–	–	–	32
Provided for the year	11,055	1,766	164	194	82	13,261
Written-off	(8,842)	(1,814)	(127)	–	–	(10,783)
At 31 December 2023	61,600	13,775	5,587	10,155	152	91,269
Exchange adjustments	–	–	(9)	–	–	(9)
Provided for the year	8,721	1,305	285	177	82	10,570
Disposal	(643)	–	–	–	–	(643)
Written-off	(24,421)	–	–	–	–	(24,421)
At 31 December 2024	45,257	15,080	5,863	10,332	234	76,766
CARRYING VALUES						
As at 31 December 2024	6,654	2,543	10	485	602	10,294
As at 31 December 2023	15,080	3,830	297	656	684	20,547

20. PROPERTY AND EQUIPMENT (continued)

The above property and equipment are depreciated on a straight-line basis over the following years:

Right-of-use assets – leased properties	Over the shorter of the lease terms and 5 years
Leasehold improvements	Over the shorter of the lease terms and 5 years
Furniture and fixtures	5 years
Computer and equipment	5 years
Motor vehicle	5 years

During the year ended 31 December 2024, right-of-use assets (leased properties) with a cost of HK$24,421,000 (2023: HK$8,960,000), were fully written off as they reached the end of their lease terms.

Total cash outflow for leases for the year ended 31 December 2024 amounted to HK$12,548,000 (2023: HK$14,712,000).

There are no extension options available for the lease liabilities as at 31 December 2024.

Restrictions or covenants on leases

In addition, lease liabilities of HK$6,276,000 (2023: HK$17,276,000) are recognised with related right-of-use assets of HK$6,654,000 (2023: HK$15,080,000) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Impairment assessment

For the years ended 31 December 2024 and 2023, due to the Group's sustained losses and the heightened market uncertainty surrounding both the global and local economic landscapes, the management of the Group determined that there were indicators of impairment on property and equipment. The Group estimates the recoverable amount of the CGUs of financial services segment and investment management segment, using the higher of value in use and fair value less cost of disposal of the respective CGU.

As at 31 December 2024 and 2023, the Group estimates the recoverable amount of the CGUs to which the asset belongs when it is not possible to estimate the recoverable amount of an individual asset, including allocation of corporate assets when reasonable and consistent basis can be established.

The recoverable amount of CGUs has been determined with reference to the recoverable amounts based on a value-in-use calculation. That calculation used cash flows projections based on financial budgets approved by management covering a three-year period and at a pre-tax discount rate of 9.8% (2023: 11%) and annual growth rates used range is from 0% to 20% (2023: 0% to 20%). The cash flows beyond the three-year period are extrapolated using a steady 2.3% (2023: 2.3%) growth rate. A key assumption for the value-in-use calculation is the growth rate as 2.3% (2023: 2.3%), which is determined based on management's expectations for the market development.

Management believes that any reasonably possible change in any of the assumptions would not cause the aggregate recoverable amount of the CGUs to fall below the aggregate carrying amount of the CGUs to which the asset belongs.

21. INTANGIBLE ASSETS

	Trading rights HK$'000
COST	
At 1 January 2023	9,092
Written-off	(5,051)
At 31 December 2023 and 31 December 2024	4,041
CARRYING VALUES	
At 31 December 2024	4,041
At 31 December 2023	4,041

At 31 December 2024, intangible assets amounting to HK$4,041,000 (2023: HK$4,041,000) represent trading rights that confer eligibility of the Group to trade on the Stock Exchange and the Hong Kong Futures Exchange. The trading rights have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the trading rights were considered by the management of the Group as having an indefinite useful life because these are expected to contribute to net cash inflows indefinitely. The trading rights will not be amortised until their useful life is determined to be finite. Instead these will be tested for impairment annually and whenever there is an indication that they may be impaired.

For impairment testing purpose, the recoverable amount of the trading rights is determined based on the fair value less cost of disposal. The directors of the Company consider that the fair value less cost of disposal of the trading rights is more than the carrying amounts and accordingly, no impairment is recognised in profit or loss for both years. During the year ended 31 December 2024, certain trading rights amounted to nil (2023: HK$5,051,000) were returned to the Hong Kong Exchange in view of the infrequent use by the Group.

22. CLUB DEBENTURES

The club debentures are stated at cost, less any identified impairment losses.

23. OTHER ASSETS

	2024 **HK$'000**	2023 HK$'000
Statutory deposits with exchanges and clearing houses	**4,280**	4,792

The above deposits are non-interest bearing.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets designated at FVTOCI:

	2024 HK$'000	2023 HK$'000
Unlisted equity investments at fair value	4,806	25,821

During the year ended 31 December 2024, the Group disposed its equity interest in Dataseed Fintech Holdings Limited for a consideration of HK$16,943,000, resulting in a loss on disposal of HK$4,819,000. The cumulative gain of HK$1,342,000 was transferred from investments revaluation reserve to retained earnings (accumulated losses).

The unlisted investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these unlisted investments as at FVTOCI as they believe that recognising short-term fluctuations in the investments' fair value in profit or loss would not be consistent with the Group's strategy of holding the investments for long-term purposes and realising their performance potential in the long run.

25. ACCOUNTS RECEIVABLE

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

25. ACCOUNTS RECEIVABLE (continued)

Notes:

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

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

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

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously. Details are set out in note 40.

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

Details of the credit risk profile disclosure and movements in the allowance for impairment for the years ended 31 December 2024 and 2023 are set out in "credit risk and impairment assessment" in note 40.

26. CONTRACT ASSETS

Contract assets represent the Group's rights to commission from insurers for the provision of placement services of general and life insurance, mutual funds and MPF products. The Group recognises revenue when the placement is successful whilst the Group's right to commission is conditional on the payment of the premiums to the insurers. The contract assets are transferred to accounts receivable when the rights become unconditional.

The Group's contract assets are analysed as follows:

	2024 **HK$'000**	2023 HK$'000
Commission arising from placement of mutual funds and insurance-linked investment products	**911**	2,838

As at 1 January 2023, contract assets amounted to HK$2,755,000.

At 31 December 2024, the recognition of contract assets of HK$911,000 (2023: HK$2,838,000) represents management's best estimate of each contract's outcome.

The change in contract assets is mainly due to reclassification to accounts receivable near year end when the Group has unconditional right to the consideration.

Details of the impairment assessment of contract assets at 31 December 2024 and 2023 are set out in note 40.

27. LOANS RECEIVABLE

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

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

Details of impairment assessment as at 31 December 2024 and 2023 are set out in note 40.

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

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

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Deposits	**5,499**	5,641
Receivables from brokers	**91,145**	105,739
Prepayments and other receivables	**24,126**	23,012
	120,770	134,392

Receivables from brokers represents deposits placed with securities brokers for securities trading purposes and carry interest at prevailing market rates.

Details of impairment assessment for the years ended 31 December 2024 and 2023 are set out in note 40.

29. FIXED DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS AND BANK BALANCES AND CASH

(a) Bank balances – general accounts and trust and segregated accounts

Bank balances – trust and segregated accounts

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. Such monies are maintained in one or more segregated bank accounts and bear interest at commercial rate. The Group has recognised the corresponding liabilities to respective external clients and other institutions as accounts payable (note 32). However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Bank balances (general accounts) and cash

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments, at prevailing market interest rates with an original maturity of three months or less.

(b) Fixed deposits with original maturity over three months:

The balances carry fixed interest rate of 0.8% per annum.

Details of impairment assessment for the years ended 31 December 2024 and 2023 are set out in note 40.

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	HK$'000	HK$'000
Financial assets mandatorily measured at FVTPL:		
Listed securities held for trading:		
– Equity securities listed in Hong Kong (note (a))	**21,551**	19,277
– Equity securities listed in United States	**746**	–
Other investments held for trading:		
– Unlisted fund investments	**18,128**	17,007
Other investments held for long-term strategic purpose:		
– Unlisted fund investments	**4,592**	4,691
	45,017	40,975

Note:

(a) The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant exchanges.

	2024	2023
	HK$'000	HK$'000
Analysed for reporting purposes as:		
Current assets	**40,425**	36,284
Non-current assets	**4,592**	4,691
	45,017	40,975

31. AMOUNTS DUE TO FELLOW SUBSIDIARIES

The amounts are unsecured, bearing interest at Prime rate (2023: bearing interest at Prime rate) and repayable on demand.

32. ACCOUNTS PAYABLE

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

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

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

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

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

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

33. ACCRUED LIABILITIES AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Accrued liabilities		
– Accrual for salaries and commission	**1,287**	933
– Other accrued liabilities	**4,665**	10,317
Other payables	**17,655**	22,630
	23,607	33,880

34. BANK BORROWINGS

	2024	2023
	HK$'000	HK$'000
Bank loans, secured	**46,025**	80,111

The bank borrowings of HK$46,025,000 (2023: HK$80,111,000) are revolving loans and contain a repayment on demand clause and shown under current liabilities.

The Group's bank borrowings as at 31 December 2024 and 2023 are guaranteed and/or secured by marketable securities of the Group's margin clients with fair value of HK$156,893,000 (2023: HK$141,030,000) at 31 December 2024 (with clients' consent).

Bank loans amounting to HK$46,025,000 (2023: HK$80,111,000) are variable-rate borrowings which carry interest with reference to Hong Kong Inter-Bank Offered Rate ("HIBOR").

The effective interest rates on the Group's borrowings are also equal to the contracted interest rates of 5.7% to 6.4% (2023: 5.4% to 7.4%) per annum.

35. LOAN FROM A RELATED PARTY

The related party is a company owned by the ultimate controlling shareholder. The amount is unsecured, carried interest rate at HIBOR + 3% (2023: HIBOR + 3%) and repayable within a period of more than one year but not exceeding two years (2023: within one year).

36. DEFERRED TAX LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	31.12.2024	31.12.2023
	HK$'000	HK$'000
Deferred tax liabilities	**(9,297)**	(11,111)

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and the prior years:

Deferred tax liabilities

	Tax losses	**Unrealised gain on financial assets at FVTPL**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 January 2023	–	(8,793)	(8,793)
Deferred tax charged to profit or loss during the year (note 17)	–	(2,494)	(2,494)
Exchange adjustment	–	176	176
At 31 December 2023	–	(11,111)	(11,111)
Deferred tax credited to profit or loss during the year (note 17)	1,814	–	1,814
At 31 December 2024	1,814	(11,111)	(9,297)

36. DEFERRED TAX LIABILITIES (continued)

At 31 December 2024, the Group has unused tax losses of approximately HK$683,510,000 (2023: HK$647,406,000) and deductible temporary differences of HK$44,576,000 (2023: HK$43,597,000) related to unrealised loss on financial assets at FVTPL and accelerated tax depreciation, which are available for offset against future profits. A deferred tax has been recognised of HK$7,256,000 (2023: nil) in respect of such losses. No deferred tax asset has been recognised in respect of the remaining unused tax losses approximately HK$676,254,000 (2023: HK$647,406,000) and deductible temporary differences of HK$44,576,000 (2023: HK$43,597,000) related to unrealised loss on financial assets at FVTPL and accelerated tax depreciation due to the unpredictability of future profit streams.

Estimated unused tax losses of HK$12,670,000 (2023: HK$10,345,000) incurred by certain subsidiaries operating in PRC are subject to expiry periods of five years from the year in which the tax losses arose under the current tax legislation. The remaining estimated unused tax losses have no expiry date but are subject to further approval of the Hong Kong Inland Revenue Department.

37. LEASE LIABILITIES

	2024 **HK$'000**	2023 HK$'000
Lease liabilities payable:		
Within one year	**5,991**	10,221
More than one year but not exceeding two years	**285**	6,677
More than two years but not exceeding three years	**–**	378
	6,276	17,276
Less: amount due for settlement with 12 months shown under current liabilities	**(5,991)**	(10,221)
Amount due for settlement after 12 months shown under non-current liabilities	**285**	7,055

The weighted average incremental borrowing rates applied to lease liabilities ranged from 4% to 4.875% (2023: from 4% to 4.875%).

The Group leases various properties to operate its business and these liabilities were measured at the present value of the lease payments that are not yet paid.

38. SHARE CAPITAL

	Number of shares ('000) of HK$0.04 per share	HK$'000
Authorised:		
At 1 January 2023 and 31 December 2023 and 2024	750,000	30,000
Issued and fully paid:		
At 1 January 2023	261,175	10,447
Issued during the year (note i)	170,000	6,800
At 31 December 2023 and 2024	431,175	17,247

38. SHARE CAPITAL (continued)

Note:

i) On 23 May 2023, the Company issued 120,000,000 new ordinary shares as part of the consideration in the Acquisition amounting to HK$51,000,000 as mentioned in note 2.

On 4 August 2023, the Company issued 50,000,000 new ordinary shares at the subscription price of HK$0.42 per share and the net proceeds raised were approximately HK$20,895,000. The proceeds were for expansion of business of the Group.

All new shares rank pari passu with other shares in issue in all respects.

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the bank borrowings disclosed in note 34, amounts due to fellow subsidiaries disclosed in note 31, loan from a related party in note 35 and lease liabilities disclosed in note 37, and equity attributable to owners of the Company, comprising issued share capital disclosed in note 38, retained earnings (accumulated losses) and other reserves as disclosed in consolidated statement of changes in equity. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares and share options as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

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

40. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024 **HK$'000**	2023 HK$'000
Financial assets		
At FVTPL	**45,017**	40,975
At FVTOCI	**4,806**	25,821
At amortised cost	**642,376**	769,065
Financial liabilities		
At amortised cost	**470,170**	568,739
At FVTPL	**1,515**	122

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, financial assets at FVTOCI, accounts receivable, loans receivable, amounts due to fellow subsidiaries, deposits and other receivables, fixed deposits with original maturity over three months, bank balances, bank borrowings, loan from a related party, other payables and accounts payable. 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. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Equity and other price risks

The Group has a portfolio of equity securities held for trading which are measured at FVTPL and expose the Group to price risk. In both years, the directors of the Company manage the exposure by closely monitoring the portfolio of equity securities held for trading and imposing trading limits on individual trades.

In addition, the Group also invested in unlisted equity investments and unlisted fund investments for long-term strategic purposes which had been designated at FVTOCI and classified at FVTPL respectively.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks of listed equity securities held for trading at the end of the reporting period.

As at 31 December 2024, if the market bid prices of the Group's listed equity investments had been 15 percent (2023: 15 percent) higher/lower, the Group's loss for the year would decrease/increase by HK$3,345,000 (2023: HK$2,892,000). This is attributable to the changes in fair values of the listed equity investments.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to fixed deposits with original maturity over three months, accounts payable to clients arising from business of dealing in securities, a loan receivable carrying fixed interest rate and lease liabilities. The Group currently does not have fair value hedging policy. The Group is also exposed to cash flow interest rate risk mainly from balances with banks, accounts receivable arising from the business of margin financing, bank borrowings, amounts due to fellow subsidiaries, loan from a related party and certain loans receivable carrying interest at prevailing market rates. However, management closely monitors its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group. A 50 (2023: 50) basis points ("bps") change representing management's assessment of the reasonably possible change in interest rates is used.

Management of the Group monitors the related interest rate exposure closely to ensure the interest rate risks are maintained at an acceptable level. The Group's interest rate risk is mainly concentrated on the fluctuation of the Hong Kong Prime Rate and HIBOR arising from the Group's respective RMB and United States dollar ("USD") denominated financial instruments.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and liabilities at amortised cost, bearing variable interest. The analysis is prepared assuming interest-bearing assets and liabilities outstanding at the end of respective reporting period were outstanding for the whole year. When reporting to management of the Group on the interest rate risk, a 50 bps increase or decrease in the relevant interest rates will be adopted for sensitivity analysis, assuming all other variables were held constant, which represents a reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as these are subject to minimal interest rate fluctuation. A positive number below indicates a decrease in loss after taxation of the Group or vice versa.

	2024	2023
	HK$'000	HK$'000
Loss after taxation for the year		
Increase by 50 bps	**(184)**	(485)
Decrease by 50 bps	**184**	485

Foreign currency risk

The group entities have financial assets and liabilities denominated in currencies other than their respective functional currencies. Consequently, the Group is exposed to risks that the exchange rate of functional currencies relative to other currencies may change in a manner that has an adverse effect on the value of the position of the Group's assets and liabilities denominated in foreign currencies.

The exposure primarily arises from the receivables from foreign brokers, foreign currency deposits with banks and accounts payable to clients denominated in USD and RMB. The management monitors foreign exchange exposure and will consider hedging significant foreign exposure should the need arises. The directors do not expect significant foreign exchange risk arising from USD denominated monetary items in view that HK$ is pegged to USD.

The carrying amounts of the major foreign currency denominated monetary assets and monetary liabilities of the Group at the reporting date are as follows:

	Liabilities		**Assets**	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**16,812**	15,699	**27,920**	62,133
RMB	**1,510**	1,820	**5,645**	89,565

As at 31 December 2024, if RMB had strengthened/weakened by 5% (2023: 5%) against HK$ and all other variables were held constant, the Group's loss after taxation would decrease/increase by HK$207,000 (2023: HK$4,387,000). Under the pegged exchange rate system, the financial impact in exchange fluctuation between HK$ and USD is considered to be immaterial and therefore no sensitivity analysis has been prepared.

In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

In order to minimise the credit risk on brokerage and financing services, the Credit and Risk Management Committee is set up to compile the credit and risk management policies, to approve credit limits and to determine any debt recovery action on delinquent receivables. In addition, the Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below.

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

	Notes	**External credit rating**	**Internal credit management and assessment**	**12-month or lifetime ECL**	**2024 Gross carrying amount HK$'000**	2023 Gross carrying amount HK$'000 (Restated)
Financial assets at amortised cost						
Loans receivable	27	N/A	Notes 1,5	12-month ECL	**7,535**	4,140
				Lifetime ECL (Credit-impaired)	**1,458**	1,578
					8,993	5,718
Bank balances and fixed deposits with original maturity over three months	29	A3 – Aa1	Note 2	12-month ECL	**394,788**	416,028
		Baa3 – Baa1 (notes 2,5)		12-month ECL	**2,369**	84,630
					397,157	500,658
Accounts receivable arising from the business of dealing in securities, futures and options	25	N/A	Notes 5,6	12-month ECL	**57,903**	56,229
Accounts receivable arising from the business of margin financing	25	N/A	Note 4	12-month ECL	**34,134**	43,621
				Lifetime ECL (not credit-impaired)	**36**	803
				Lifetime ECL (Credit-impaired)	**80,336**	82,852
					114,506	127,276
Deposits and other receivables	28	N/A	Notes 5,6	12-month ECL	**120,367**	134,033
Other item						
Contract assets	26	N/A	Note 3	Lifetime ECL (not credit-impaired)	**911**	2,838

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Notes:

1. In order to minimise the credit risk, the management of the Group closely evaluates the borrower's financial background and repayment abilities. The assessment is based on a close monitoring and evaluation of the collectability of each individual account and the past collection history. As at 31 December 2024, the Group had concentration of credit risk on loans receivable as 67% (2023: 92%) of the outstanding balance is from the top three (2023: four) borrowers. As at 31 December 2024, the management considered an unsecured loan overdue more than 90 days of HK$1,458,000 (2023: HK$1,578,000) to be uncollectable and credit impaired. The loans receivable of HK$7,535,000 (2023: HK$4,140,000) are not overdue and are considered to have no significant increase in credit risk since initial recognition. Accordingly, these are subject to 12-month ECL.

2. The Group has concentration of credit risk arising from bank balances and fixed deposits with original maturity over three months which are mainly deposited with three banks. The credit risk on bank balances and bank deposits is limited because the counterparties are major institutional banks with credit ratings of Baa3 or higher assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL.

3. For contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the lifetime ECL on these items based on the Group's historical default rates or by reference to the PD and LGD of speculative grade ratings published by international credit rating agencies ("speculative grade ratings") over the expected life and is adjusted for forward-looking estimates. Majority of the balances are not past due as at 31 December 2024 and 2023.

4. As at 31 December 2024, the Group had concentration of credit risk on the accounts receivable from margin clients as the aggregate balances with the five largest clients represent approximately 61% (2023: 65%) of total accounts receivable from margin clients. The Group considers that there is significant increase in credit risk since initial recognition and default indicator when the LTV ratio of a particular client has increased up to certain level for a certain period of time.

   For non-credit impaired margin accounts receivable arising from margin financing, the management performed a collective assessment that considers the past due status and LTV ratio. The ECL are assessed based on the Group's EAD, PD and LGD over the expected life of the accounts receivable. These are estimated on a portfolio basis using the Group's historical default and loss data and adjusted for forward-looking factors through the use of gross domestic product and unemployment rate that are available without undue cost or effort.

   For credit-impaired margin accounts receivable from margin clients, the management performs an individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group, any subsequent settlements, and adjusting for forward-looking factors that are available without undue cost or effort.

5. The ECL is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. For exposure from non-rated counterparties, the Group has assessed the ECL by reference to the PD and LGD of speculative grade ratings.

6. The credit risk for receivables from brokers and accounts receivable from clearing houses, brokers and dealers is limited as the counterparties are major financial institutions, brokers, dealers or clearing houses, all of which are governed by regulators including the Hong Kong Monetary Authority, the SFC and various overseas regulatory bodies. Given this regulatory oversight, the directors considered the risk of default on repayments to be insignificant. Accordingly, they are subject to 12-month ECL.

Except for accounts receivable arising from margin financing and loans receivable, the ECL impairment allowance determined for other financial assets carried at amortised cost and contract assets is insignificant and accordingly no provision has been made.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

(a) The following table shows the reconciliation of loss allowance that has been recognised for accounts receivable arising from margin financing.

	12-month ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 January 2023	40	47	11,369	11,456
– Transfer to lifetime ECL (credit-impaired)	(24)	3	21	–
– Transfer to lifetime ECL (not credit-impaired)	(7)	10	(3)	–
– Transfer to 12-month ECL	8	(2)	(6)	–
– Impairment losses recognised	127	374	43,913	44,414
– Impairment losses reversed	(116)	(404)	(611)	(1,131)
As at 31 December 2023 and 1 January 2024	28	28	54,683	54,739
– Transfer to lifetime ECL (not credit-impaired)	(4)	4	–	–
– Transfer to 12-month ECL	3	(3)	–	–
– Impairment losses recognised	164	225	12,139	12,528
– Impairment losses reversed	(142)	(252)	(11,630)	(12,024)
As at 31 December 2024	49	2	55,192	55,243

Note:

In determining the allowances for credit impaired accounts receivable arising from margin financing, the management of the Group also takes into account shortfall by comparing the fair value of collateral and the outstanding balance of accounts receivable arising from margin financing. The directors of the Company consider that the recoverability of the credit-impaired accounts receivable arising from margin financing is highly reliant on the realisation of the collaterals held.

Accounts receivable arising from margin financing with a gross carrying amount of HK$36,000 (2023: HK$803,000) and HK$80,336,000 (2023: HK$82,852,000) were assessed as becoming lifetime ECL (not credit-impaired) due to significant increase in credit risk and lifetime ECL (credit-impaired) respectively due to the significant financial difficulty of the borrower and a breach of contract, such as a default. Accordingly, 12-month ECL of HK$4,000 (2023: HK$7,000) and nil (2023: HK$24,000) were transferred to lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) during the current year.

An additional impairment loss of HK$12,139,000 (2023: HK$43,913,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK$80,336,000 (2023: HK$70,817,000) has been recognised during the year due to the decrease in fair value of collateral. Also, an impairment loss of HK$11,630,000 (2023: HK$611,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK$23,750,000 (2023: HK$11,668,000) has been reversed during the year due to repayment in margin financing.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

(b) The following table shows the reconciliation of loss allowance that has been recognised for loans receivable.

	12-month ECL HK$'000	Lifetime ECL (not credit-impaired) HK$'000	Lifetime ECL (credit-impaired) HK$'000	Total HK$'000
As at 1 January 2023	149	–	1,658	1,807
– Impairment losses reversed	(80)	–	(297)	(377)
As at 31 December 2023 and 1 January 2024	69	–	1,361	1,430
– Impairment losses reversed	(3)	–	(120)	(123)
As at 31 December 2024	66	–	1,241	1,307

Liquidity risk

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and customers. To address the risk, the treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed settlement dates.

The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from the prevailing market rate at the end of the reporting period.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables

	Weighted average interest rate %	Repayable on demand HK$'000	Less than 1 month to 3 months HK$'000	Between 3 months to 1 year HK$'000	Over 1 to 5 years HK$'000	Total contracted undiscounted cash flows HK$'000	Carrying amount at reporting date HK$'000
At 31 December 2024							
Accounts payable	**0.001**	**311,533**	**40,049**	**–**	**–**	**351,582**	**351,582**
Other payables	**N/A**	**17,655**	**–**	**–**	**–**	**17,655**	**17,655**
Amounts due to fellow subsidiaries	**5.25**	**29,805**	**–**	**–**	**–**	**29,805**	**29,805**
Bank borrowings	**6.15**	**46,025**	**–**	**–**	**–**	**46,025**	**46,025**
Lease liabilities	**4.37**	**931**	**1,529**	**4,425**	**289**	**7,174**	**6,276**
Loan from a related party	**7.35**	**–**	**–**	**–**	**27,631**	**27,631**	**25,103**
Financial liabilities arising from consolidated investment funds	**N/A**	**1,515**	**–**	**–**	**–**	**1,515**	**1,515**
		407,464	**41,578**	**4,425**	**27,920**	**481,387**	**477,961**

	Weighted average interest rate %	Repayable on demand HK$'000	Less than 1 month to 3 months HK$'000	Between 3 months to 1 year HK$'000	Over 1 to 5 years HK$'000	Total contracted undiscounted cash flows HK$'000	Carrying amount at reporting date HK$'000
At 31 December 2023							
Accounts payable	0.001	366,401	9,765	–	–	376,166	376,166
Other payables	N/A	22,630	–	–	–	22,630	22,630
Amounts due to fellow subsidiaries	5.16	53,772	–	–	–	53,772	53,772
Bank borrowings	6.36	80,111	–	–	–	80,111	80,111
Lease liabilities	4.04	977	1,691	8,065	7,115	17,848	17,276
Loan from a related party	8.30	–	36,801	–	–	36,801	36,060
Financial liabilities arising from consolidated investment funds	N/A	122	–	–	–	122	122
		524,013	48,257	8,065	7,115	587,450	586,137

Bank borrowings with a repayment on demand clause are included in the "Repayable on demand" time band in the above maturity analysis. As at 31 December 2024, the aggregate carrying amounts of these bank borrowings amounted to approximately HK$46,025,000 (2023: HK$80,111,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks and related party will exercise their discretionary rights to demand immediate repayment.

As at 31 December 2024, assuming the banks will not exercise their discretionary rights to demand immediate repayment, the aggregate principal and interest cash outflows of such bank loans, amounted to approximately HK$48,796,000 (2023: HK$85,301,000), will be repaid within 1 year after the end of the reporting period.

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from the estimated interest rates determined at the end of the reporting period.

40. FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

	Fair value as at 31 December 2024 HK$'000	Fair value as at 31 December 2023 HK$'000	Fair value hierarchy	Valuation technique(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Reasonable significant change in unobservable inputs	Increase(+)/ decrease(-)in fair value of financial instruments by reasonable change in unobservable inputs HK$'000
Financial assets								
Financial assets at FVTPL								
Investments held for trading								
– Equity securities listed in Hong Kong	**22,297**	19,277	Level 1	Quoted prices in an active market	N/A	N/A	N/A	N/A
– Unlisted fund investments	**18,128**	17,007	Level 2	Dealing price of the investment funds derived from the net asset values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets and fair value of the remaining assets, as provided by a broker	N/A	N/A	N/A	N/A
Investment held for long-term strategic purpose								
– Unlisted fund investment	**4,592**	4,691	Level 3	Net asset value method	Net assets value	The higher the net assets value, the higher the fair value.	10%	2024:+459/-459 (2023: +470/-470)
Financial assets at FVTOCI								
– Unlisted equity investment	**-**	21,761	Level 3	Discounted cash flow method	Discount rate: 2023: 10.03%	The higher the discount rate, the lower the fair value.	10%	2024: N/A 2023: –203/+195
– Unlisted equity investment	**4,806**	4,060	Level 3	Market approach	Discount factor for lack of marketability: 2024: 24% (2023: 15%)	The higher the discount factor for lack of marketability, the lower the fair value.	10%	2024: –152/+152 (2023: –71/+72)
					Price-to-Book (PB) Ratio*: 2024: 0.64 (2023: 0.52)	The higher the PB ratio, the higher the fair value.	10%	2024: –481/+480 (2023: –406/+406)

40. FINANCIAL INSTRUMENTS (continued)

Fair value measurements of financial instruments (continued)

Reconciliation of level 3 fair value measurements

	Financial assets at FVTPL
	HK$'000
As at 1 January 2023	4,812
Total losses in profit or loss	(121)
As at 31 December 2023	4,691
Total losses in profit or loss	(99)
As at 31 December 2024	4,592

Included in profit or loss is an amount of unrealised loss of HK$99,000 (2023: HK$121,000) related to unlisted fund investment at FVTPL held as at 31 December 2024.

	Financial assets at FVTOCI
	HK$'000
As at 1 January 2023	24,328
Total gains in other comprehensive income	1,493
As at 31 December 2023	25,821
Total loss in other comprehensive income	(4,072)
Disposal during the year	(16,943)
As at 31 December 2024	4,806

Included in other comprehensive income is an amount of unrealised gain of HK$747,000 (2023: gains of HK$1,493,000) related to unlisted equity investments at FVTOCI held as at 31 December 2024.

There were no transfers between Levels 1 and 2 in the current and prior years.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Financial assets and financial liabilities offsetting

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that are either:

- offset in the Group's consolidated statement of financial position; or

- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC") and brokers, the Group has a legally enforceable right to set off the money obligations receivable and payable with HKSCC and brokers on the same settlement date and the Group intends to settle on a net basis.

40. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities offsetting (continued)

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with cash clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis. The Group has a legally enforceable right to set off the accounts receivable and payable with margin clients and the Group intends to settle the balances on a net basis. Cash and margin clients collectively referred to as the brokerage clients.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposits placed with HKSCC and brokers do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

As at 31 December 2024

	Gross amounts of recognised financial assets after impairment	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	Collateral received*	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets						
Accounts receivable arising from the business of dealing in securities and margin financing	**196,816**	**(95,119)**	**101,697**	**(7,541)**	**(51,215)**	**42,941**

As at 31 December 2023

	Gross amounts of recognised financial assets after impairment	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	Collateral received*	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets						
Accounts receivable arising from the business of dealing in securities and margin financing	152,914	(43,199)	109,715	(840)	(74,275)	34,600

* These represents market value of shares pledged by customers, which are capped at the outstanding balances of respective customers.

40. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities offsetting (continued)

As at 31 December 2024

	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$'000	Related amounts not set off in the consolidated statement of financial position: Financial instruments HK$'000	Related amounts not set off in the consolidated statement of financial position: Collateral paid HK$'000	Net amount HK$'000
Financial liabilities						
Accounts payable arising from the business of dealing in securities	**418,618**	**(95,119)**	**323,499**	**(7,541)**	**–**	**315,958**

As at 31 December 2023

	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$'000	Related amounts not set off in the consolidated statement of financial position: Financial instruments HK$'000	Related amounts not set off in the consolidated statement of financial position: Collateral paid HK$'000	Net amount HK$'000
Financial liabilities						
Accounts payable arising from the business of dealing in securities	387,031	(43,199)	343,832	–	–	343,832

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings	**Loan from a related party**	**Lease liabilities**	**Amounts due to fellow subsidiaries**	**Financial liabilities arising from consolidated investment funds**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	(note 34)	(note 35)	(note 37)	(note 31)	(note 46)	
At 1 January 2023	80,064	66,861	29,598	104,801	5,757	287,081
Financing cash flows:						
– Advances from bank borrowings	50,000	–	–	–	–	50,000
– Repayment of bank borrowings	(50,000)	–	–	–	–	(50,000)
– Repayments to a related party	–	(31,662)	–	–	–	(31,662)
– Repayments of lease liabilities	–	–	(13,802)	–	–	(13,802)
– Repayment to fellow subsidiaries	–	–	–	(51,029)	–	(51,029)
– Interest paid	(5,105)	(3,394)	(910)	(2,049)	–	(11,458)
– Contribution from third party investors of consolidated investment funds	–	–	–	–	10	10
– Redemption to third party investors of consolidated investment funds	–	–	–	–	(19)	(19)
Net gain on financial liabilities arising from consolidated investment funds	–	–	–	–	(5,635)	(5,635)
Exchange adjustments	–	–	–	–	9	9
New leases	–	–	1,480	–	–	1,480
Interest expense	5,152	4,255	910	2,049	–	12,366
At 31 December 2023 and 1 January 2024	**80,111**	**36,060**	**17,276**	**53,772**	**122**	**187,341**
Financing cash flows:						
– Advances from bank borrowings	**8,500**	**–**	**–**	**–**	**–**	**8,500**
– Repayment of bank borrowings	**(42,500)**	**–**	**–**	**–**	**–**	**(42,500)**
– Repayments to a related party	**–**	**(10,767)**	**–**	**–**	**–**	**(10,767)**
– Repayments of lease liabilities	**–**	**–**	**(12,137)**	**–**	**–**	**(12,137)**
– Repayment to fellow subsidiaries	**–**	**–**	**–**	**(23,967)**	**–**	**(23,967)**
– Interest paid	**(3,623)**	**(3,594)**	**(411)**	**(2,633)**	**–**	**(10,261)**
– Contribution from third party investors of consolidated investment funds	**–**	**–**	**–**	**–**	**2,988**	**2,988**
– Redemption to third party investors of consolidated investment funds	**–**	**–**	**–**	**–**	**(1,562)**	**(1,562)**
Net gain on financial liabilities arising from consolidated investment funds	**–**	**–**	**–**	**–**	**(33)**	**(33)**
New leases	**–**	**–**	**1,137**	**–**	**–**	**1,137**
Interest expense	**3,537**	**3,404**	**411**	**2,633**	**–**	**9,985**
At 31 December 2024	**46,025**	**25,103**	**6,276**	**29,805**	**1,515**	**108,724**

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

Non-cash transactions

During the year, the Group entered into various lease agreements for the use of leased properties for one to three years (2023: one to two years). On the commencement, the Group recognised right-of-use assets of HK$1,150,000 (2023: HK$1,498,000) and lease liabilities of HK$1,137,000 (2023: HK$1,480,000).

42. SHARE OPTION SCHEME

The share option scheme was adopted pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 8 June 2018 (the "Share Option Scheme").

The major terms of the Share Option Scheme are summarised as follows:

(i) The purpose is to provide incentives to:

- award and retain the participants who have made contributions to CASH and its subsidiaries and associates, including the Group ("CASH Group"); or

- attract potential candidates to serve the CASH Group for the benefit of the development of the CASH Group.

(ii) The participants include any employees (whether full time or part time), executives and officers (including executive and non-executive directors) and business consultants, agents and legal and financial advisers of the CASH Group.

(iii) The maximum number of shares in respect of which options might be granted under the Share Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme and such limit might be refreshed by shareholders in general meeting. The maximum number of shares was 26,117,477 (2023: 26,117,477) shares, representing around 6% (2023: 6%) of the weighted average number of issued shares of the Company as at 31 December 2024. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.

(iv) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the Share Option Scheme or any other share option scheme within any 12-months period, must not exceed 1% of the shares in issue from time to time.

(v) There is no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company ("Board") and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the Board of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to the Company.

42. SHARE OPTION SCHEME (continued)

(viii) The exercise price of an option must be the highest of:

- the closing price of the shares on the date of grant which day must be a trading day;
- the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and
- the nominal value of the share.

(ix) The life of the Share Option Scheme is effective for 10 years from the date of adoption until 7 June 2028.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

Share options to the directors, employees and others providing similar services and business consultants, and exercise price are as follows for the reporting periods presented:

					Number of options ('000)					
Names	**Date of grant**	**Exercise period**	**Adjusted exercise price (HK$)**	**Note**	**As at 1 January 2024**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**Reallocated upon change of directorate**	**As at 31 December 2024**
Directors	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	**300**	**–**	**–**	**(300)**	**–**	**–**
Employees	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	**1,200**	**–**	**–**	**(675)**	**–**	**525**
					1,500	**–**	**–**	**(975)**	**–**	**525**
Exercisable as at 31 December 2024										**–**

					Number of options ('000)					
Names	Date of grant	Exercise period	Adjusted exercise price (HK$)	Note	As at 1 January 2023	Granted during the year	Exercised during the year	Lapsed during the year	Reallocated upon change of directorate	As at 31 December 2023
Directors	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	4,800	–	–	(4,800)	–	–
	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	1,125	–	–	(825)	–	300
Employees	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	2,400	–	–	(2,400)	–	–
	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	3,375	–	–	(2,175)	–	1,200
Individuals providing services similar to employees	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	3,810	–	–	(3,810)	–	–
					15,510	–	–	(14,010)	–	1,500
Exercisable as at 31 December 2023										–

42. SHARE OPTION SCHEME (continued)

Note:

(a) During the year ended 31 December 2021, a total of 24,750,000 options were granted to directors, employees and individuals providing services similar to employees of the Group and the granting of the options are subject to the achievement of certain targets during the financial years ended 31 December 2021 to 2023 and 2025. During the year ended 31 December 2024, 975,000 options (2023: 14,010,000 options) lapsed before vesting as the relevant employees resigned from the Group or lapsed upon expiry. At 31 December 2024 and 31 December 2023, there was no satisfactory delivery of services to the Group and thus no share-based compensation expense was recognised in the consolidated financial statements.

43. SHARE AWARD SCHEME

On 1 December 2022 ("Adoption Date"), the Board adopted a 10-year share award scheme (the "Share Award Scheme") to incentivise selected employees or directors ("Selected Participants") for their contributions to the Group and to attract suitable personnel for further development of the Group.

The major terms of the Share Award Scheme are summarised as follows:

(i) The purpose and objectives of the Share Award Scheme are:

- to recognise and motivate the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of any member of the CASH Group;
- to attract suitable professional personnel beneficial for further growth of any member of the CASH Group; and
- to provide certain eligible participants with a direct economic interest in attaining a long-term relationship between any member of the CASH Group and such eligible participants.

(ii) The Share Award Scheme shall be subject to the administration of the Board. The Board may appoint any one or more senior management of the Company as authorised representative(s) to give instructions or notices to the trustee on all matters in connection with the Share Award Scheme and other matters in the routine administration of the trust. The trustee will hold the shares and the income derived therefrom in accordance with the rules of the Share Award Scheme and subject to the terms of the trust deed.

(iii) The eligible participants include any employees (whether full time or part time) of any member of the CASH Group; any non-executive director of any member of the CASH Group; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the CASH Group; any agent, contractor, client or supplier of any member of the CASH Group; and any other group or classes of participants who, in the sole opinion of the Board, will contribute or have contributed to any member of the CASH Group.

(iv) The Board shall not make any further grant of award of shares under the Share Award Scheme such that the total number of shares granted under the Share Award Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Share Award Scheme) will exceed 10% of the total number of issued shares as of the Adoption Date, i.e. 26,117,477 shares.

There is no maximum entitlement of each participant.

If the relevant purchase would result in the trustee holding in aggregate more than 10% of the total number of issued shares as of the Adoption Date, the trustee shall not purchase any further shares.

43. SHARE AWARD SCHEME (continued)

(v) A selected participant shall be entitled to receive the awarded shares held by the trustee in accordance with the vesting schedule when the selected participant has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the shares will be conditional on the selected participant remaining an eligible participant until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the trustee.

(vi) The Board or the authorised representative(s) shall notify the selected participant in writing within 10 business days (or such other day as the Board may otherwise determine) after an award has been provisionally made to such selected participant and the notice shall contain substantially the same information as that set out in the award notice. An award shall be deemed to be irrevocably accepted by a selected participant unless the selected participant shall within 5 business days after receipt of such notice from the Board or the authorised representative(s) notify the Company in writing that he would decline to accept such award.

(vii) Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date and shall expire on 1 December 2032).

(viii) The trustee shall not exercise the voting rights in respect of any shares held under the trust (including but not limited to the awarded shares, further Shares acquired out of the income derived therefrom, the returned shares, any bonus Shares and scrip shares).

During the year ended 31 December 2024, 11,286,000 shares were purchased in May 2024 at a price of HK$0.2394 and 6,996,000 shares were purchased at a price of HK$0.2435 in June 2024 by the trustee. As at 31 December 2024, 18,282,000 shares were held by the trustee.

No share award has been granted under the Share Award Scheme during the period from the date of adoption to the year ended 31 December 2024.

44. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties:

	Notes	**2024** **HK$'000**	2023 HK$'000
Commission income from Cashflow Credit Limited	(a)	**–**	17
Commission income received from the following directors of the Company:			
Dr Kwan Pak Hoo Bankee		**3**	–
Mr Kwan Teng Hin Jeffrey		**1**	–
Mr Cheung Wai Lim William	(b)	**–**	8
Mr Law Hin Ong Trevor	(c)	**5**	7
		9	32
Interest expense payable to a company owned by Dr Kwan Pak Hoo Bankee		**103**	60

44. RELATED PARTY TRANSACTIONS (continued)

Notes:

(a) Cashflow Credit Limited is a subsidiary of CASH, the ultimate holding company of the Company.

(b) Mr Cheung Wai Lim William resigned as executive director of the Company during the year ended 31 December 2023.

(c) Mr Law Hin Ong Trevor resigned as director of the Company during the year ended 31 December 2024.

Remuneration of key management personnel represents amounts paid to the Company's directors as disclosed in note 12.

The remuneration of directors is determined by the performance of individuals and market trends.

45. SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the respective reporting period are set out below:

Names	Place of incorporation/ operation	Paid up issued share capital	Proportion of issued share capital held by the Company				Principal activities
			2024		2023		
			Direct interest %	Indirect interest %	Direct interest %	Indirect interest %	
CASH Wealth Management Limited	Hong Kong	Ordinary HK$20,000,000	–	100	–	100	Financial advisory consultancy
CASH Payment Services Limited	Hong Kong	Ordinary HK$2	–	100	–	100	Provision of payment gateway services
Celestial Asset Management Limited	Hong Kong	Ordinary HK$6,781,401	–	100	–	100	Provision of treasury management functions and investment holding and trading
Celestial Capital Limited	Hong Kong	Ordinary HK$30,000,000	–	100	–	100	Inactive
Celestial Finance Limited	Hong Kong	Ordinary HK$121,000,002	–	100	–	100	Money lending
Celestial Commodities Limited	Hong Kong	Ordinary HK$60,000,000	–	100	–	100	Brokerage of futures and options
Celestial Securities Limited	Hong Kong	Ordinary HK$190,000,000	–	100	–	100	Brokerage of securities and equity options
CASH Trinity Buillion Limited	Hong Kong	Ordinary HK$2	–	100	–	100	Investment holding and trading
CASH Family Office Company Limited	Hong Kong	Ordinary HK$100	–	100	–	100	Investment holding and trading

45. SUBSIDIARIES (continued)

Names	Place of incorporation/ operation	Paid up issued share capital	Proportion of issued share capital held by the Company 2024 Direct interest %	2024 Indirect interest %	2023 Direct interest %	2023 Indirect interest %	Principal activities
Victory Glory Investments Limited	Hong Kong	Ordinary HK$1	–	100	–	100	Investment trading
Think Right Investments Limited	British Virgin Islands	Ordinary US$1	–	100	–	100	Properties holding
Celestial Financial Services Limited	British Virgin Islands	Ordinary US$10,000	100	–	100	–	Investment holding
CASH Mobile Financial Services Limited	Hong Kong	Ordinary HK$10,000,000	–	100	–	100	Provision of management services for group companies
Celestial (China) Asset Management Limited	British Virgin Islands	Ordinary US$500,000	–	100	–	100	Investment holding
Weever FinTech Limited	Hong Kong	Ordinary HK$48,500,000	–	76.1	–	76.1	Brokerage of cryptocurrencies
Libra Capital Manager Limited	British Virgin Islands	Ordinary US$3	–	100	–	100	Investment holding
CFSG China Investment Limited	British Virgin Islands	Ordinary US$1	–	100	–	100	Investment holding
Golden Riverside Industrial Limited	Hong Kong	Ordinary HK$102	–	100	–	100	Investment holding
CFSG FinTech Group Limited	British Virgin Islands	Ordinary US$1	100	–	100	–	Investment holding
上海懿睿股權投資基金管理有限公司 (translated as Shanghai Yirui Equity Investment Fund Management Company Limited)*	PRC	Ordinary RMB10,000,000	–	100	–	100	Investment holding

45. SUBSIDIARIES (continued)

Names	Place of incorporation/ operation	Paid up issued share capital	Proportion of issued share capital held by the Company 2024 Direct interest %	2024 Indirect interest %	2023 Direct interest %	2023 Indirect interest %	Principal activities
CASH Prime Value Equity OFC^	Hong Kong	Redeemable participating shares 12,325.47 units (2023: 11,688.83 units)	**–**	**91.3**	–	99.8	Investment holding
CASH Quant-Finance Lab Limited	Hong Kong	Ordinary HK$1	**–**	**51**	–	51	Investment trading
上海群博資產管理有限公司*	PRC	Registered capital RMB20,000,000	**–**	**51**	–	51	Provision of asset management services
群博多策略對冲私募證券投資基金#	PRC	Paid up capital 13,685,961 units	**–**	**51**	–	51	Fund investment

* These subsidiaries are limited liability companies established in the PRC. They are indirectly held by the Company through contractual arrangements by the registered owners, being Ms Wei Li (holder of 95% of the equity interests) and Ms Mao Jie (holder of 5% of the equity interests) who are independent from each other.

^ CASH Prime Value Equity OFC is a consolidated structured entity under the Group.

For this investment fund, the directors of the Company concluded that the variable returns the Group exposed to are significant, the Group is primarily acting as a principal and not subject to substantive removal rights held by other parties who may remove the Group as an investment manager. Therefore, the Group consolidated this investment fund throughout the periods.

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The majority of these subsidiaries operate in Hong Kong. The principal activities of these subsidiaries are either investment holding or inactive.

46. FINANCIAL LIABILITIES ARISING FROM CONSOLIDATED INVESTMENT FUNDS

The Group had consolidated three (2023: three) structured entities including investment funds. For the investment funds where the Group involves as general partner and also as investors holding substantial shares which makes the Group has control over these structured entities.

47. RETIREMENT BENEFITS SCHEMES

Defined contribution plan

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. The cap of the mandatory contribution amount was HK$1,500 per employee per month. Where there are employees who leave the Group prior to vesting fully in the voluntary contributions, the contributions payable by the Group are reduced by the amount of forfeited voluntary contributions. None of the forfeited contributions was utilised in this manner for the years ended 31 December 2024 and 2023.

Defined benefit plan

The Group operates various benefits schemes for its full-time employees in the PRC in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Group contributes 7%, 12%, 22%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively.

The employer's contributions to the MPF Scheme and various benefits schemes in the PRC are disclosed separately in notes 11, 12 and 13.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment & Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment") was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment will come into effect prospectively from a date to be determined by the Hong Kong SAR Government, which is expected to be in 2025 (the "Transition Date"). Under the amended Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date.

The Group's LSP obligation, taking into consideration of the abolition of MPF-LSP Offsetting Arrangement, is considered to be insignificant and no provision has been recognised as at 31 December 2024 and 2023.

48. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	2024	2023
	HK$'000	HK$'000
Non-current assets		
Unlisted investments in subsidiaries	**22,410**	22,410
Amounts due from subsidiaries	**367,772**	421,502
	390,182	443,912
Current assets		
Prepayments, deposits and other receivable	**2,397**	–
Bank balances (general accounts)	**372**	111
	2,769	111
Current liabilities		
Accrued liabilities and other payables	**694**	775
Amounts due to subsidiaries	**241,760**	190,184
Amounts due to fellow subsidiaries	**29,805**	53,772
Loan from a related party	**25,103**	36,060
	297,362	280,791
Net current liabilities	**(294,593)**	(280,680)
Net assets	**95,589**	163,232
Capital and reserves		
Share capital	**17,247**	17,247
Reserves	**78,342**	145,985
Total equity	**95,589**	163,232

48. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (continued)

(b) Reserves movement of the Company

	Share premium	**Contributed surplus**	**Shares held for share award scheme**	**(Accumulated losses) retained earnings**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	9,325	80	–	210,772	220,177
Loss and total comprehensive expense for the year	–	–	–	(139,287)	(139,287)
Share issued during the year	65,095	–	–	–	65,095
At 31 December 2023	74,420	80	–	71,485	145,985
Loss and total comprehensive expense for the year	–	–	–	(63,238)	(63,238)
Purchase of share held for the share award scheme	–	–	(4,405)	–	(4,405)
At 31 December 2024	74,420	80	(4,405)	8,247	78,342

APPENDIX I – FIVE-YEAR FINANCIAL SUMMARY

RESULTS

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000 (restated)	HK$'000 (restated)	HK$'000 (restated)
Revenue	**50,768**	58,365	73,658	102,901	107,321
Loss before taxation	**(31,543)**	(92,137)	(53,853)	(51,474)	(50,003)
Income tax credit (expense)	**1,814**	(2,494)	(4,135)	(4,489)	2,861
Loss for the year	**(29,729)**	(94,631)	(57,988)	(55,963)	(47,142)
Attributable to:					
Owners of the Company	**(35,102)**	(95,247)	(63,775)	(54,741)	(51,025)
Non-controlling interests	**5,373**	616	5,787	(1,222)	3,883
	(29,729)	(94,631)	(57,988)	(55,963)	(47,142)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000 (restated)	HK$'000 (restated)	HK$'000 (restated)
Property and equipment	**10,294**	20,547	32,298	25,713	18,219
Intangible assets	**4,041**	4,041	9,092	9,092	9,092
Other non-current assets	**15,475**	37,284	37,633	44,307	60,612
Current assets	**684,115**	807,226	1,105,961	1,567,536	1,781,126
Total assets	**713,925**	869,098	1,184,984	1,646,648	1,869,049
Current liabilities	**462,170**	593,435	826,905	1,342,730	1,545,213
Non-current liabilities	**34,685**	19,796	26,612	73,780	40,583
Total liabilities	**496,855**	613,231	853,517	1,416,510	1,585,796
Net assets	**217,070**	255,867	331,467	230,138	283,253
Non-controlling interests	**10,290**	4,671	4,916	(80,755)	(80,191)

Note: As set out in note 2 to the consolidated financial statements, the Group has applied AG5 to account for business combination under common control in current year and retrospective adjustments have been made. The financial information for the assets and liabilities of 2022, 2021 and 2020 and the results of 2022, 2021 and 2020 have been restated accordingly.

DEFINITIONS

In this annual report, the following expressions have the following meanings unless the context requires otherwise:

"AGM(s)"	the annual general meeting(s) of the Company
"Audit Committee"	the audit committee of the Company established pursuant to the CG Code of the Listing Rules
"Board"	the board of Directors
"CAFG" or "CAFG Group"	CASH Algo Finance Group International Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries, which are principally engaged in algorithmic trading business
"CASH"	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board. It is the holding company of the Company indirectly held through CIGL
"CASH Asset Management"	CASH Asset Management Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. It is a licensed corporation under the SFO which is engaged in type 9 (asset management) regulated activity
"CASH Group"	CASH and its subsidiaries, including the Group
"Cash Guardian"	Cash Guardian Limited, a company incorporated in the British Virgin Islands with limited liability, is the substantial shareholder of CASH and an associate of Dr Kwan Pak Hoo Bankee
"CASH Wealth Management"	CASH Wealth Management Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. It is a licensed corporation under the SFO which is engaged in types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities
"Celestial Commodities"	Celestial Commodities Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. It is a licensed corporation under the SFO which is engaged in type 2 (dealing in futures contracts) regulated activity
"Celestial Securities"	Celestial Securities Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. It is a licensed corporation under the SFO which is engaged in type 1 (dealing in securities) regulated activity
"CEO"	the chief executive officer of the Company
"CFO"	the chief financial officer of the Company
"CG Code"	the Corporate Governance Code as contained in the Listing Rules
"CIGL"	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, is an indirect wholly-owned subsidiary of CASH. It is the holding company of the Company

DEFINITIONS

"Company" or "CFSG"	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board. It is a 64.47% – owned listed subsidiary of CASH
"Company Secretary"	the company secretary of the Company
"COO"	the chief operating officer of the Company
"Director(s)"	the directors of the Company
"ED(s)"	the executive Director(s) of the Company
"Group"	the Company and its subsidiaries
"INED(s)"	the independent non-executive Director(s) of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the main board of the Stock Exchange
"Management"	the management team of the Company
"Model Code"	the required standards of dealings regarding securities transactions by Directors or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
"NED(s)"	the non-executive Director(s) of the Company
"Nomination Committee"	the nomination committee of the Company established pursuant to the CG Code of the Listing Rules
"Remuneration Committee"	the remuneration committee of the Company established pursuant to the CG Code of the Listing Rules
"SFC"	the Hong Kong Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM(s)"	the special general meeting(s) of the Company
"Share(s)"	ordinary shares of HK$0.04 each in the share capital of the Company
"Share Option Scheme"	the existing share option scheme of the Company adopted by the Company pursuant to an ordinary resolution passed at an AGM held on 8 June 2018
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

"PRC"	the People's Republic of China
"UK"	United Kingdom
"US"	United States

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

時富金融
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