

# 2024

## Interim Report



梧桐國際發展有限公司  
Planetree International Development Limited

*(Incorporated in Bermuda with limited liability)*  
Stock code: 613

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Cheung Ting Kee (*Vice Chairman*)  
Dr. Mack Andrew Kar Lung (*Managing Director*)  
Ms. Cheung Ka Yee  
Mr. Lam Hiu Lo

### Non-executive Director

Dr. Chuang Henry Yueheng (*Chairman*)

### Independent Non-executive Directors

Mr. Chan Sze Hung  
Mr. Chung Kwok Pan  
Mr. Ma Ka Ki  
Mr. Zhang Shuang

## COMMITTEES

### Audit Committee

Mr. Ma Ka Ki (*Chairman*)  
Mr. Chan Sze Hung  
Mr. Chung Kwok Pan

### Nomination Committee

Mr. Chan Sze Hung (*Chairman*)  
Mr. Chung Kwok Pan  
Mr. Ma Ka Ki

### Remuneration Committee

Mr. Ma Ka Ki (*Chairman*)  
Ms. Cheung Ka Yee  
Mr. Chung Kwok Pan

## AUTHORISED REPRESENTATIVES

Ms. Cheung Ka Yee  
Mr. Man Wai Chuen

## COMPANY SECRETARY

Mr. Man Wai Chuen

## EXTERNAL AUDITOR

Forvis Mazars CPA Limited

## PRINCIPAL BANKERS

Morgan Stanley Bank Asia Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank (Hong Kong) Limited

## LEGAL ADVISERS

Conyers Dill & Pearman

## REGISTERED OFFICE

Clarendon House, 2 Church Street,  
Hamilton HM 11, Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

8/F, China United Centre, 28 Marble Road,  
North Point, Hong Kong  
(changed to 23/F, China United Centre, effective  
from 23 September 2024)  
Tel: 3198 0238  
Fax: 2520 6103  
Email: [investors@planetreeintl.com](mailto:investors@planetreeintl.com)

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North Cedar House,  
41 Cedar Avenue  
Hamilton HM 12, Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre,  
16 Harcourt Road, Hong Kong

## WEBSITE

<http://www.planetreeintl.com>

## HKEX STOCK CODE

613

# MANAGEMENT DISCUSSION AND ANALYSIS

During the first six months ended 30 June 2024 (the “**Period**”), the Group’s total revenue of approximately HK\$53.4 million and other income and gains of approximately HK\$0.2 million aggregated to approximately HK\$53.6 million, representing a decrease of approximately HK\$54.5 million or 50.4% as compared to corresponding period for the six months ended 30 June 2023 (the “**Previous Period**”). The Group recorded a consolidated loss before tax of approximately HK\$94.2 million (2023: approximately HK\$30.5 million). After allocating the loss attributable to non-controlling interests for approximately HK\$3.2 million (2023: approximately HK\$0.4 million), the loss attributable to shareholders of the Company for the Period was approximately HK\$91.1 million (2023: approximately HK\$30.7 million).

The Board considers that the loss for the Period is mainly attributable to the combined effects of:

- (i) the net unrealised fair value loss on financial assets at fair value through profit or loss of approximately HK\$39.9 million; and
- (ii) the share of loss from associates of approximately HK\$46.4 million.

Apart from the consolidated loss before tax for the Period in the amount of approximately HK\$94.2 million mentioned above, the Group also recorded other comprehensive expense of approximately HK\$67.3 million for the Period (2023: HK\$24,000) mainly due to the fair value change on equity investments measured at fair value through other comprehensive income recognised during the Period in the amount of approximately HK\$66.3 million (2023: Nil).

## INTERIM DIVIDEND

No final dividend in respect of the year ended 31 December 2023 was paid during the six months ended 30 June 2024 (2023: Nil).

Apart from the aforesaid, the Board has resolved not to declare any interim dividend for the Period (2023: Nil).

## BUSINESS REVIEW

The Hong Kong economy exhibited moderate growth in the first half of 2024, but the business environment grew increasingly uncertain amid heightened geopolitical tensions, escalating trade conflicts, and an unclear trajectory for US interest rates. These challenging macroeconomic conditions had a direct adverse impact on the Group’s financial performance during the Period.

The volatile global environment and high interest rate climate exerted significant pressure on the Group’s core business lines, resulting in a decline in revenue and profitability compared to the Previous Period. Against this backdrop, the Group’s interim results fell short of expectations. Despite the Group’s diversified business model and disciplined cost management efforts, the impact of the volatile macroeconomic conditions could not be fully mitigated.

# MANAGEMENT DISCUSSION AND ANALYSIS

The principal activities of the Group are classified into the following business segments:

(1) **Financial services – operations licensed under the SFO**

The Group has been engaging in the provision of dealing in securities (including the provision of margin loans to clients), dealing in futures contracts and asset management services with Type 1, Type 2 and Type 9 licences respectively granted under the Securities and Futures Ordinance (the “SFO”) for years. It has further stepped into the businesses for advising on securities, advising on futures contracts, the provision of corporate finance advisory services, automated trading services and securities margin financing services with Type 4, Type 5, Type 6, Type 7 and Type 8 licences under the SFO.

The Group’s asset management service income (especially the contribution from performance fee income based on the appreciation in the value of clients’ net assets) was continuously and inevitably affected by the lackluster stock market performance. Such asset management service income dropped to approximately HK\$1.2 million during the Period (2023: approximately HK\$1.9 million). Margin loan interest income increased to approximately HK\$35.6 million during the Period (2023: approximately HK\$24.5 million). The increase in margin loan interest income is mainly due to the average monthly margin loan amount for the Period was higher than the Previous Period.

The Group has engaged in Type 6 regulated activity, i.e. advising on corporate finance, under the SFO. The Group’s revenue from such services dropped to approximately HK\$1.8 million (2023: approximately HK\$2.7 million). The decrease in revenue for the Period was mainly due to the drop in number of clients as the financial services market was still in a slow recovery pace.

As a result, the segment revenue of approximately HK\$39.1 million was 32.0% higher than the corresponding figure of approximately HK\$29.6 million for the Previous Period. Accordingly, the segment profit increased from approximately HK\$18.6 million for the Previous Period to approximately HK\$22.6 million for the Period.

The Group, through its subsidiaries, is licensed by the Securities and Futures Commission (the “SFC”) to engage in a full suite of regulated activities under the SFO, including Type 1, Type 2, Type 4, Type 5, Type 6, Type 7, Type 8 and Type 9 regulated activities. The Board expected that a more comprehensive profile of licences under the SFO will create a synergy effect favourable to the Group’s development of the integrated financial services business.

To further expand this segment, in June 2024, the Group applied for a licence to conduct Type 3 (leveraged foreign exchange trading) regulated activity under the SFO. In July 2024, the SFC accepted the Group’s application and is currently reviewing it. The management expects to receive official written approval from the SFC in Q2 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) Credit and lending services – operations licensed under the MLO

The Group conducts its money lending business with two money lenders licences held by the Group under the Money Lenders Ordinance (the “MLO”). The Group’s clientele primarily consists of niche customers including corporations and high net-worth individuals. These clients mostly have been acquired through business referrals and introductions from the Company’s senior management, business partners or clients. Besides in compliance with all rules and regulations imposed under the MLO, the Group has also formulated internal money lending policy to guide its two money lending subsidiaries in conducting the money lending operations. The loan terms would be arrived at after considering a combination of factors including prevalent market interest rates, the financial strength of the borrower, the collaterals offered as past credit history of the borrower with the Group and adjusted, if necessary, by arms-length negotiations with the borrower. The related internal control procedures were strictly complied with during the Period.

During the Period, segment revenue from credit and lending services declined sharply, falling from approximately HK\$66.1 million in the Previous Period to approximately HK\$1.6 million. The decrease was primarily due to a one-time bad debt recovery of HK\$42.0 million in the Previous Period, and less loans granted during the Period. As at 30 June 2024, total principal amount and accrued interest stood at approximately HK\$119.0 million with loans receivable due from the largest borrower and the five largest borrowers in aggregate accounting for approximately 15% and 67% of this total, respectively. Additionally, the balance of loan and interest receivables decreased from approximately HK\$504.8 million as at 30 June 2023 to around HK\$119.0 million by the end of the Period. As a result, the segment profit fell to approximately HK\$0.4 million during the Period from HK\$64.0 million in the Previous Period.

The ongoing macroeconomic challenges have affected some of our clients. In response to their needs, we have provided temporary relieving measures to certain clients. Our focus remains on building long-term, sustainable relationship while maintaining the health of our loan portfolio. We are actively engaging with clients to develop flexible and tailored solutions.

The Company retained an independent professional valuer to conduct impairment assessment on the outstanding loans for each reporting period end date, approximately HK\$2.0 million impairment allowances were provided on the outstanding loans receivable as at 30 June 2024 (31 December 2023: approximately HK\$0.9 million).

## (3) Other financial services

To diversify the Group’s financial services, the Group has also carried on the business of providing corporate advisory related services in Hong Kong since October 2020. For the Period, the segment revenue amounted to approximately HK\$7.2 million (2023: approximately HK\$5.7 million) and segment profit amounted to approximately HK\$2.0 million (2023: approximately HK\$0.8 million). During the Period, there were more clients experiencing financial pressure and challenges due to the growing competition, business disruptions and global market uncertainties in their own business. This has fueled the increase in revenue in this segment during the first six months of 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (4) Property investment and leasing

During the Period, segment revenue of approximately HK\$5.7 million (2023: approximately HK\$6.0 million) and segment loss of approximately HK\$11.6 million (2023: approximately HK\$7.8 million). The slight reduction in segment revenue was mainly due to the financial difficulty of a tenant. The increase in segment loss was mainly due to the increase in loan interest outlay by HK\$1.0 million, and the increase in fair value loss on investment properties by HK\$2.6 million as compared to the Previous Period. As at 30 June 2024, the Group held 4 commercial properties in Hong Kong for leasing to independent third-party tenants for rental income with a total fair value at HK\$495.8 million.

### (5) Tactical and strategic investment

The amount of resources allocated by the Group to this segment (in the form of financial assets at FVPL) was approximately HK\$108.3 million at the Period (31 December 2023: approximately HK\$148.2 million). The Group had revenue of about HK\$1,000 from this segment for the Period (2023: approximately HK\$0.8 million). The segment loss was approximately HK\$88.2 million during the Period (2023: approximately HK\$81.5 million) mainly due to (i) share of loss of associates (which is principally engaged in holding listed equity investments) amounted to approximately HK\$46.4 million (2023: approximately HK\$15.1 million); and (ii) net fair value loss on the financial assets at FVPL at approximately HK\$39.9 million (2023: approximately HK\$70.5 million).

## PROSPECT

Despite the challenging macroeconomic environment in the first half of 2024, we remain cautiously optimistic about the Group's long-term growth prospects. Hong Kong's economy is expected to continue on a moderate growth trajectory, which should support asset investment activities in the city.

However, the global landscape is likely to remain volatile, with ongoing geopolitical tensions and trade conflicts posing continued risks. Recent indications suggest the Federal Reserve may implement a rate cut as soon as September 2024, which could provide some relief. We will closely monitor these developments and adapt our strategies accordingly.

Our focus is on strengthening our competitive edge in key business segments and diversifying our revenue streams. We will also continue to manage costs vigilantly and optimise resource allocation to maintain profitability. Leveraging our diversified business portfolio and financial discipline, we will explore new growth opportunities, both organically and through strategic investments, to deliver sustainable value for our shareholders.

Looking ahead, the Group will remain vigilant to the evolving landscape and proactively adapt its strategies to strengthen its market position and drive sustainable growth. Despite the near-term uncertainties, the Group is confident in the long-term resilience of the Hong Kong economy and is committed to weathering the current storm and emerging stronger.

## FINANCIAL REVIEW

### Revenue

The overall revenue of the Group for the Period was approximately HK\$53.4 million, representing a decrease of approximately HK\$11.7 million from the Previous Period. Financial services income including those from other financial services aggregated to approximately HK\$46.2 million (2023: approximately HK\$34.8 million). Interest income from the Group's money lending business decreased to approximately HK\$1.6 million (2023: approximately HK\$24.1 million). Rental income of the Period slightly reduced to approximately HK\$5.7 million (2023: approximately HK\$6.0 million). There was no revenue from tactical and strategic business for the Period (2023: approximately HK\$0.3 million) as there was no dividend received from the financial assets held by the Group.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Other comprehensive expense

The Group has other comprehensive expense of approximately HK\$67.3 million for the Period (2023: HK\$24,000), mainly due to the fair value change on equity investments measured at fair value through other comprehensive income recognised during the Period.

## Net asset value

The unaudited consolidated net asset value of the Group as at 30 June 2024 was approximately HK\$1,745.6 million, representing a decrease of approximately HK\$161.5 million from the end of last financial year. The unaudited consolidated net asset value per share as at 30 June 2024 was approximately HK\$1.85.

## Capital structure

The Group's capital expenditure and investments were mainly funded from cash on hand, internally-generated funds and bank borrowings.

The Group persistently adopts conservative treasury policies in cash and financial management. Cash is generally placed in short-term deposits mostly denominated in Hong Kong dollars. The Group does not use any financial instruments for hedging purpose.

## Liquidity and financial resources

The Group's cash and cash equivalents (excluding trust and segregated accounts), being mainly denominated in Hong Kong dollars, was approximately HK\$42.5 million as at 30 June 2024 (31 December 2023: approximately HK\$38.5 million). The cash and cash equivalents and the financial assets at FVPL in aggregate were approximately HK\$90.5 million as at 30 June 2024 (31 December 2023: approximately HK\$103.3 million). The liquidity of the Group was very strong with a current ratio of 4.0 as at 30 June 2024 (31 December 2023: 3.9). The Group had bank borrowings in the sum of approximately HK\$233.3 million as at 30 June 2024 (31 December 2023: approximately HK\$239.7 million). The Group did not have any available short-term revolving banking facilities as at 30 June 2024 (31 December 2023: Nil).

## Exposure to fluctuation in exchange rates and related hedges

As the Group's major source of income, expenses, major assets and bank deposits were denominated in Hong Kong dollars and U.S. dollars, the Group's exposure to fluctuation in foreign exchange rates was minimal due to the pegged exchange rate to the U.S. Dollars. The Group did not have any related hedging instruments.

## Gearing ratio

As at 30 June 2024, the gearing ratio of the Group, as measured by dividing the net debt to Shareholders' equity, was 13.6% (31 December 2023: 13.0%). The slight increase in gearing ratio was mainly attributable to the reduction in the Shareholders' equity. Net debt was calculated as interest-bearing borrowings plus other payables and accruals, net of cash and cash equivalents.

## Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

## Charge on Group assets

As at 30 June 2024, the Group pledged its investment properties with carrying value of approximately HK\$443.0 million (31 December 2023: approximately HK\$452.9 million) as security for general banking facilities granted to the Group.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Significant investments

An investment with carrying value of 5% or more of the total assets of the Group is considered as a significant investment of the Group. The Group treated the equity interest in Green River Associates Limited (“**Green River Marshall**”) incorporated in Marshall Islands as an investment in associate. Green River Marshall primarily engages in securities investment, is a strategic partner of the Group in developing the tactical and strategic investment business. The Group holds approximately 47.8% of the total issued share capital of Green River Marshall. As at 30 June 2024, the carrying amount of investment in Green River Marshall amounted to approximately HK\$170.1 million, which represented approximately 8.4% to the Group’s total assets. During the Period, the Group’s share of loss of Green River Marshall was approximately HK\$43.3 million (2023: approximately HK\$18.0 million), which was mainly a result of Green River Marshall’s fair value loss on its financial assets.

The Group treated the equity investment in HEC Securities Company Limited (“**HEC Securities**”) incorporated in British Virgin Islands as an investment in associate. HEC Securities primarily engages in holding investments in credit financing and securities investment business. The Group holds approximately 33.0% of the total issued share capital of HEC Securities. As at 30 June 2024, the carrying amount of investment in HEC Securities amounted to approximately HK\$101.7 million, which represented approximately 5.0% to the Group’s total assets. During the Period, the Group’s share of loss of HEC Securities was approximately HK\$3.1 million (2023: share of profit of approximately HK\$2.9 million), which was mainly a result of HEC Securities’ realised loss on its financial assets.

As the local macroeconomic environment is still uncertain, we take a cautious stance in our investments in Green River Marshall and HEC Securities in the second half of the year. However, these investments were strategically structured for long-term value creation rather than short-term market alignment. They focus on various return sources, providing stability and diversification, even if their performance may not always mirror short-term public market fluctuations. We will continue to closely monitor these strategic investments and are prepared to make tactical adjustments as needed.

The following table further set forth the significant investments with a value of 5% or more of the Group’s total assets as at 30 June 2024:

Name of investee	Number of shares held as at 30 June 2024	Investment cost as at 30 June 2024 HK\$'000	Carrying amount as at 30 June 2024 HK\$'000	Realised gain/(loss) recognised during the period ended 30 June 2024 HK\$'000	Unrealised loss recognised during the period ended 30 June 2024 HK\$'000	Approximate % to the Group’s total assets as at 30 June 2024	Approximate % of shareholding in investee as at 30 June 2024	Dividend income recognised during the period ended 30 June 2024 HK\$'000
Green River Marshall	122	330,603	170,100	-	43,300	8.4	47.8	-
HEC Securities	50,945,400	98,604	101,739	-	3,054	5.0	33.0	-

Save as disclosed above and elsewhere in this report, there was no other significant investment held, nor were there any material acquisitions or disposals of subsidiaries, associates or joint ventures during the reporting period under review (2023: Nil). There was no present plan authorised by the Board for material investments or acquisition of material capital assets as at the date of this report.

## Significant events since the end of the Period

There were no significant events affecting the Group since the end of the Period.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Review of accounts

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Company's auditor, Forvis Mazars CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated financial statements of the Group for the Period have also been reviewed by the audit committee of the Company. In addition, the audit committee of the Company has also reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters.

## OPERATION REVIEW

### Human resources practices

The Group's remuneration policy is to ensure fair and competitive packages based on business needs and industry practice. The Company aims to provide incentives to Directors, senior management and employees to perform at their highest level as well as to attract, retain and motivate the very best people. Remuneration will be determined by taking into consideration factors such as market and economic situation, inflation, employment conditions elsewhere in the Group and salaries paid by comparable companies. In addition, performance-based assessment such as individual's potential and contribution to the Group, time commitment and responsibilities undertaken will all be considered.

There were 38 work forces (inclusive of all the Directors) working for the Group as at 30 June 2024. The Group also provides other staff benefits including MPF, medical insurance and discretionary training subsidy. The Company also operates a discretionary share option scheme to motivate employees' performance and loyalty.

## ADDITIONAL INFORMATION

### Compliance with Corporate Governance Code

The Company is committed to achieving and maintaining high standards of corporate governance practice. Throughout the Period, the Company has complied with all code provisions of Corporate Governance Code as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Board will continually review the Company's corporate governance framework to ensure best corporate governance practices. Save as disclosed above, there were no significant changes in the Company's corporate governance practice or from the information disclosed in the Corporate Governance Report in the latest published annual report.

### Compliance with Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors and relevant employees. Following specific enquiry by the Company, each director confirmed that throughout the Period, they have complied with the required standards set out in the Model Code.

### Purchase, sale or redemption of listed securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Period.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30 June 2024, none of the Directors and chief executive of the Company had any interests or short positions in the shares of the Company (the "**Shares**"), underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTION SCHEME

On 21 May 2015, a share option scheme (the "**Share Option Scheme**") was approved and conditionally adopted by the Company, whereby the Board may, at its absolute discretion and on such terms as it may think fit, grant options to any officer, employee (full-time or part-time), director or proposed director of and business consultant, professional or other advisers to any member of the Eligible Group (as defined in the Share Option Scheme). From 1 January 2023, the Company has relied on the transitional arrangements provided for the existing Share Option Schemes and has complied with the new Chapter 17 accordingly (effective from 1 January 2023). The total number of Shares available for grant under the Share Option Scheme is 93,352,767 Shares as at the beginning and at the end of the Period. No service provider sublimit has been set under the Share Option Scheme.

During the Period, no share options were granted, exercised, cancelled or lapsed under the Share Option Scheme and there were no share options with respect to the Share Option Scheme and any other option schemes of the Company outstanding at the beginning and at the end of the Period. As no share options were granted during the Period, the number of Shares that may be issued in respect of options granted under the Share Option Scheme during the Period divided by the weighted average number of Shares in issue for the Period is nil.

### SHARE AWARD SCHEME

On 8 May 2020, the Company adopted a share award scheme (the "**Share Award Scheme**").

The maximum number of awarded shares that may be issued pursuant to the Share Award Scheme would be 10% of the issued share capital of the Company at the date of adoption of the Share Award Scheme (the "**Share Award Scheme Mandate Limit**"), being 93,052,767 shares of the Company. Subject to the Share Award Scheme Mandate Limit, the maximum number of awarded shares that may be granted in any financial year would be 3% of the issued shares of the Company (the "**Annual Limit**"). The Annual Limit is the maximum number of awarded shares which can be issued from the date of general meeting of the Company approving the Annual Limit to the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable law to be held; and (c) the revocation or variation of the approval by members of the Company in general meeting. No service provider sublimit has been set under the Share Award Scheme.

## OTHER INFORMATION

As no approval for refreshing the Annual Limit was sought by the Company at the annual general meeting held on 28 June 2023, no share award is available for grant under the Share Award Scheme since then, as at the beginning and at the end of the Period. The Company may not grant share awards until adoption of a new share award scheme in compliance with Chapter 17 of the Listing Rules.

During the Period, no share award was granted, vested, cancelled or lapsed under the Share Award Scheme to any Directors or other grantees and there were no unvested awarded shares granted under the Share Award Scheme at the beginning and at the end of the Period. As no share awards were granted during the Period, the number of Shares that may be issued in respect of awards granted under the Share Award Scheme during the Period divided by the weighted average number of Shares in issue for the Period is nil.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests", "Share Option Scheme" and "Share Award Scheme" above, at no time during the Period, the Company or any of its subsidiaries or its holding company was a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or any of their associates, had any interests in or was granted any rights to subscribe for the Shares, or had exercised any such rights.

### CHANGES IN INFORMATION OF DIRECTORS

During the Period and up to the date of this report, there were changes in the composition of the Board as follows:

- Mr. Cheung Ting Kee was redesignated from the Acting Chairman as the Managing Director with effect from 1 February 2024, and was further redesignated as the Vice Chairman with effect from 1 May 2024.
- Dr. Chuang Henry Yueheng has been appointed as a non-executive director and Chairman of the Board with effect from 1 February 2024.
- Mr. Xing Shaonan was appointed as an executive director and Vice Chairman with effect from 1 March 2024. Mr. Xing resigned with effect from 1 May 2024, due to his personal engagements.
- Dr. Mack Andrew Kar Lung has been appointed as an executive director and the Managing Director with effect from 1 May 2024.

Save as disclosed herein, there is no change in information of the Directors since publication of the annual report of the Company for the year ended 31 December 2023, which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

## OTHER INFORMATION

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the following persons (other than a Director and the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or as otherwise notified to the Company and the Stock Exchange:

Long positions in the Shares:

<b>Name</b>	<b>Note</b>	<b>Capacity and Nature of Interest</b>	<b>Number of Ordinary Shares Held</b>	<b>Approximate percentage of total number of issued share capital of the Company (Note 1)</b>
Ms. Lo Ki Yan Karen	2	Interest of controlled corporation Beneficial Owner	628,263,640	66.45%
			5,271,800	0.56%
			<u>633,535,440</u>	<u>67.01%</u>
Future Capital Group Limited	2	Beneficial Owner	<u>628,263,640</u>	<u>66.45%</u>

Notes:

(1) Based on 945,527,675 Shares in issue as at 30 June 2024.

(2) Future Capital Group Limited is 100% beneficially owned by Ms. Lo Ki Yan Karen.

Save as disclosed above, as at 30 June 2024, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying Shares that were recorded in the register required to be kept by the Company under section 336 of the SFO; or as otherwise notified to the Company and the Stock Exchange.

### APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend our gratitude and sincere appreciation to management and all staff for their diligence and dedication to the Company throughout the Period.

By order of the Board  
**Planetree International Development Limited**  
**Mack Andrew Kar Lung**  
*Managing Director*

Hong Kong, 29 August 2024

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**Forvis Mazars CPA Limited**  
**富睿瑪澤會計師事務所有限公司**

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To the board of directors of  
**Planetree International Development Limited**  
*(incorporated in Bermuda with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 14 to 38, which comprises the condensed consolidated statement of financial position of Planetree International Development Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**Forvis Mazars CPA Limited**  
*Certified Public Accountants*  
 Hong Kong, 29 August 2024

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>			
Fee and commission income		443	85
Asset management service income		1,180	1,860
Corporate advisory service income		7,219	5,686
Financial advisory service income		1,794	2,703
Interest income from margin clients and loan receivables		37,108	48,524
Dividend income from financial assets at fair value through profit or loss ("FVPL")		–	335
Gross rental income		5,702	5,973
<b>Total revenue</b>	4	<b>53,446</b>	65,166
Other income and gains	4	184	43,005
Impairment loss on loan and interest receivables		(1,134)	(1,930)
Impairment loss on margin loan receivables		(15,636)	(907)
Reversal of impairment loss on trade receivables		–	229
Reversal of impairment loss on other receivables		4,098	–
Depreciation of property and equipment and rights-of-use assets		(6,349)	(6,334)
Administrative expenses		(24,446)	(29,643)
Other losses	5	(49,838)	(77,974)
Finance costs	6	(8,175)	(7,000)
Share of result of associates		(46,354)	(15,098)
<b>Loss before taxation</b>	7	<b>(94,204)</b>	(30,486)
Income tax expense	8	(87)	(632)
<b>Loss for the period</b>		<b>(94,291)</b>	(31,118)



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
Notes		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Other comprehensive expense</b>			
<i>Items that will not be reclassified to profit or loss</i>			
	Fair value change on equity investments measured at fair value through other comprehensive income (“Designated FVOCI”)	(66,336)	–
	Share of other comprehensive expense of an associate	(918)	(24)
	<b>Total other comprehensive expense for the period</b>	<b>(67,254)</b>	<b>(24)</b>
	<b>Total comprehensive expense for the period</b>	<b>(161,545)</b>	<b>(31,142)</b>
<b>Loss for the period attributable to:</b>			
	Owners of the Company	(91,050)	(30,690)
	Non-controlling interests	(3,241)	(428)
		<b>(94,291)</b>	<b>(31,118)</b>
<b>Total comprehensive expense attributable to:</b>			
	Owners of the Company	(158,304)	(30,714)
	Non-controlling interests	(3,241)	(428)
		<b>(161,545)</b>	<b>(31,142)</b>
		<b>HK cents</b>	<b>HK cents</b>
<b>Loss per share</b>			
	Basic	(9.63)	(3.25)
	Diluted	(9.63)	(3.25)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2024

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property and equipment		36,481	31,865
Investment properties		495,800	505,700
Intangible assets		12,642	12,667
Goodwill		6,115	6,115
Investment in associates	11	271,839	319,111
Designated FVOCI	13	66,379	155,586
Financial assets at FVPL	14	60,341	83,400
Other receivables	12	824	964
Other assets		3,205	3,205
		<b>953,626</b>	<b>1,118,613</b>
<b>Current assets</b>			
Trade, loan and other receivables	12	964,279	952,352
Financial assets at FVPL	14	47,954	64,832
Income tax recoverable		7,673	6,258
Bank balances – trust and segregated accounts		3,573	3,856
Bank balances and cash		42,534	38,517
		<b>1,066,013</b>	<b>1,065,815</b>
<b>Current liabilities</b>			
Trade and other payables	15	21,101	21,984
Lease liabilities – current portion		4,881	3,275
Interest-bearing borrowings	16	233,304	239,720
Income tax payable		5,114	7,557
		<b>264,400</b>	<b>272,536</b>
<b>Net current assets</b>		<b>801,613</b>	<b>793,279</b>
<b>Total assets less current liabilities</b>		<b>1,755,239</b>	<b>1,911,892</b>
<b>Non-current liabilities</b>			
Other payables	15	742	1,562
Lease liabilities – non-current portion		5,712	–
Deferred taxation		3,235	3,235
		<b>9,689</b>	<b>4,797</b>
<b>NET ASSETS</b>		<b>1,745,550</b>	<b>1,907,095</b>
<b>Capital and reserves</b>			
Share capital	17	94,553	94,553
Reserves		1,362,807	1,521,111
Equity attributable to owners of the Company		<b>1,457,360</b>	<b>1,615,664</b>
Non-controlling interests		<b>288,190</b>	<b>291,431</b>
<b>TOTAL EQUITY</b>		<b>1,745,550</b>	<b>1,907,095</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Reserves							Total	Non-controlling interests	Total
	Share capital	Share premium	Contribution surplus	Property revaluation reserve	Investment revaluation reserve (non-recycling)	Retained earnings	Total reserves			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2024 (Audited)	94,553	918,950	44,641	11,111	13,354	533,055	1,521,111	1,615,664	291,431	1,907,095
Loss and total comprehensive expense for the period	-	-	-	-	-	(91,050)	(91,050)	(91,050)	(3,241)	(94,291)
<b>Other comprehensive expense</b>										
<i>Items that will not be reclassified to profit or loss</i>										
Fair value change on Designated FVOCI	-	-	-	-	(66,336)	-	(66,336)	(66,336)	-	(66,336)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	-	-	-	-	3,099	(3,099)	-	-	-	-
Share of other comprehensive expense of an associate	-	-	-	-	(918)	-	(918)	(918)	-	(918)
<b>Total other comprehensive expense for the period</b>	-	-	-	-	(64,155)	(3,099)	(67,254)	(67,254)	-	(67,254)
<b>Total comprehensive expense for the period</b>	-	-	-	-	(64,155)	(94,149)	(158,304)	(158,304)	(3,241)	(161,545)
At 30 June 2024 (Unaudited)	94,553	918,950	44,641	11,111	(50,801)	438,906	1,362,807	1,457,360	288,190	1,745,550

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company									
	Reserves							Total	Non-controlling interests	Total
	Share capital	Share premium	Contribution surplus	Property revaluation reserve	Investment revaluation reserve (non-recycling)	Retained earnings	Total reserves			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2023 (Audited)	94,553	918,950	44,641	11,111	(44)	672,571	1,647,229	1,741,782	378,455	2,120,237
Loss and total comprehensive expense for the period	-	-	-	-	-	(30,690)	(30,690)	(30,690)	(428)	(31,118)
<b>Other comprehensive expense</b>										
<i>Items that will not be reclassified to profit or loss</i>										
Share of other comprehensive expense of an associate	-	-	-	-	(24)	-	(24)	(24)	-	(24)
Total other comprehensive expense for the period	-	-	-	-	(24)	-	(24)	(24)	-	(24)
Total comprehensive expense for the period	-	-	-	-	(24)	(30,690)	(30,714)	(30,714)	(428)	(31,142)
At 30 June 2023 (Unaudited)	94,553	918,950	44,641	11,111	(68)	641,881	1,616,515	1,711,068	378,027	2,089,095

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>HK\$'000</i> <b>(Unaudited)</b>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(28,918)</b>	<b>(22,695)</b>
<b>INVESTING ACTIVITIES</b>		
Dividend received	–	335
Interest received	<b>28,001</b>	35,776
Purchases of property and equipment	–	(23)
Injection of fund to an associate	–	(98,604)
Proceeds from disposal of Designated FVOCI	<b>30,347</b>	–
Purchase of Designated FVOCI	<b>(7,476)</b>	–
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>50,872</b>	<b>(62,516)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of interest-bearing borrowings	<b>(6,416)</b>	(6,417)
Principal portion of lease payments	<b>(3,647)</b>	(3,775)
Interest paid	<b>(7,874)</b>	(6,605)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(17,937)</b>	<b>(16,797)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,017</b>	<b>(102,008)</b>
<b>Cash and cash equivalents at beginning of the reporting period</b>	<b>38,517</b>	<b>229,308</b>
<b>Cash and cash equivalents at end of the reporting period, represented by cash and bank balances</b>	<b>42,534</b>	<b>127,300</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in Bermuda as an exempted company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section of the interim report.

The Company and its subsidiaries (collectively, the “**Group**”) is principally engaged in (i) financial services with operations licensed under the Securities and Futures Ordinance (the “**SFO**”), (ii) credit and lending services with operations licensed under Money Lenders Ordinance (the “**MLO**”), (iii) other financial services, (iv) property investment and leasing and (v) tactical and strategic investment.

## 2. PRINCIPAL ACCOUNTING POLICIES

### Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the “**Interim Financial Statements**”) are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. The Interim Financial Statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023. The accounting policies adopted in preparing the Interim Financial Statements are consistent with those in the preparation of the Group’s annual financial statements for the year ended 31 December 2023, except for the adoption of the new/revised standards of Hong Kong Financial Reporting Standards (“**HKFRSs**”) which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2024 as described below.

### Adoption of new/revised HKFRSs

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

The adoption of the new/revised HKFRSs has no material impact on the Group’s results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 3. SEGMENT INFORMATION

The operating segments and the measurement of segment profit or loss of the Group are determined based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

The Group's reportable operating segments are as follows:

- (a) Financial services – operations licensed under the SFO, which engages in the provision of dealing in securities, dealing in futures contracts, advising on securities, advising on future contracts, advising on corporate finance, providing automated trading services, securities margin financing services and asset management services with Type 1, Type 2, Type 4, Type 5, Type 6, Type 7, Type 8 and Type 9 licences granted under the SFO;
- (b) Credit and lending services – operations licensed under the MLO, which engages in the provision of money lending services for interest income with licences granted under the MLO;
- (c) Other financial services – engages in the provision of corporate advisory related services;
- (d) Property investment and leasing – engages in leasing of properties directly owned by the Group for rental income and/or capital appreciation potential; and
- (e) Tactical and strategic investment – engages in trading and holding of debt and equity securities, which earns interest and dividend income from the relevant securities investments.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 3. SEGMENT INFORMATION *(continued)*

### Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable operating segments.

For the six months ended 30 June 2024 (Unaudited)

	Financial services – operations licensed under the SFO HK\$'000	Credit and lending services – operations licensed under the MLO HK\$'000	Other financial services HK\$'000	Property investment and leasing HK\$'000	Tactical and strategic investment HK\$'000	Consolidated HK\$'000
<b>Revenue</b>						
Fee and commission income	443	–	–	–	–	443
Assets management service income	1,180	–	–	–	–	1,180
Corporate advisory service income	–	–	7,219	–	–	7,219
Financial advisory service income	1,794	–	–	–	–	1,794
Interest income from margin clients and loan receivables	35,558	1,550	–	–	–	37,108
Gross rental income	–	–	–	5,702	–	5,702
Total revenue	38,975	1,550	7,219	5,702	–	53,446
Other income and gains	92	75	10	1	1	179
Segment revenue	<u>39,067</u>	<u>1,625</u>	<u>7,229</u>	<u>5,703</u>	<u>1</u>	<u>53,625</u>
Segment profit (loss)	<u>22,630</u>	<u>435</u>	<u>1,967</u>	<u>(11,572)</u>	<u>(88,152)</u>	<u>(74,692)</u>
Unallocated other income and gains						5
Corporate and unallocated expenses, net						<u>(19,517)</u>
Loss before taxation						<u>(94,204)</u>
Taxation						<u>(87)</u>
Loss for the period						<u><u>(94,291)</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 3. SEGMENT INFORMATION *(continued)* Segment revenue and results *(continued)* For the six months ended 30 June 2023 (Unaudited)

	Financial services – operations licensed under the SFO HK\$'000	Credit and lending services – operations licensed under the MLO HK\$'000	Other financial services HK\$'000	Property investment and leasing HK\$'000	Tactical and strategic investment HK\$'000	Consolidated HK\$'000
<b>Revenue</b>						
Fee and commission income	85	–	–	–	–	85
Assets management service income	1,860	–	–	–	–	1,860
Corporate advisory service income	–	–	5,686	–	–	5,686
Financial advisory service income	2,703	–	–	–	–	2,703
Dividend income from financial assets at FVPL	–	–	–	–	335	335
Interest income from margin clients and loan receivables	24,471	24,053	–	–	–	48,524
Gross rental income	–	–	–	5,973	–	5,973
Total revenue	29,119	24,053	5,686	5,973	335	65,166
Other income and gains	482	42,000	28	2	472	42,984
Segment revenue	<u>29,601</u>	<u>66,053</u>	<u>5,714</u>	<u>5,975</u>	<u>807</u>	<u>108,150</u>
Segment profit (loss)	<u>18,591</u>	<u>64,012</u>	<u>800</u>	<u>(7,825)</u>	<u>(81,498)</u>	<u>(5,920)</u>
Unallocated other income and gains						21
Corporate and unallocated expenses, net						<u>(24,587)</u>
Loss before taxation						(30,486)
Taxation						<u>(632)</u>
Loss for the period						<u><u>(31,118)</u></u>

Segment revenue includes revenue from financial services – operations licensed under the SFO, credit and lending services – operations licensed under the MLO, other financial services, property investment and leasing, and tactical and strategic investment.

Segment result represents the profit earned or loss incurred by each segment without allocation of the central corporate expenses. The chief operating decision makers consider share of result of associates as segment result under tactical and strategic investment segment.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 3. SEGMENT INFORMATION (continued)

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segments.

#### At 30 June 2024 (Unaudited)

	Financial services – operations licensed under the SFO HK\$'000	Credit and lending services – operations licensed under the MLO HK\$'000	Other financial services HK\$'000	Property investment and leasing HK\$'000	Tactical and strategic investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Assets	<u>868,312</u>	<u>127,991</u>	<u>14,500</u>	<u>500,933</u>	<u>446,861</u>	<u>61,042</u>	<u>2,019,639</u>
Liabilities	<u>(3,294)</u>	<u>(5,602)</u>	<u>(154)</u>	<u>(204,641)</u>	<u>(43,369)</u>	<u>(17,029)</u>	<u>(274,089)</u>

#### At 31 December 2023 (Audited)

	Financial services – operations licensed under the SFO HK\$'000	Credit and lending services – operations licensed under the MLO HK\$'000	Other financial services HK\$'000	Property investment and leasing HK\$'000	Tactical and strategic investment HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Assets	<u>842,312</u>	<u>141,194</u>	<u>14,712</u>	<u>507,699</u>	<u>623,299</u>	<u>55,212</u>	<u>2,184,428</u>
Liabilities	<u>(4,127)</u>	<u>(6,202)</u>	<u>(249)</u>	<u>(210,631)</u>	<u>(43,637)</u>	<u>(12,487)</u>	<u>(277,333)</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable operating segments other than corporate assets including certain property and equipment, other receivables and bank balances and cash.
- all liabilities are allocated to reportable operating segments other than corporate liabilities including certain other payables, lease liabilities, interest-bearing borrowings, income tax payable and deferred taxation.

The Group's operations are located in Hong Kong. Accordingly, the Group's revenue from external customers and all non-current assets (excluding certain financial assets) are located in Hong Kong.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 4. REVENUE, OTHER INCOME AND GAINS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers within HKFRS15</b>		
Fee and commission income	443	85
Financial advisory service income	1,794	2,703
Revenue recognised at point in time	2,237	2,788
Asset management service income	1,180	1,860
Corporate advisory service income	7,219	5,686
Revenue recognised over time	8,399	7,546
	10,636	10,334
<b>Revenue from other sources</b>		
Interest income from:		
– margin clients	35,558	24,471
– loan receivables	1,550	24,053
	37,108	48,524
Dividend income from financial assets at FVPL	–	335
Gross rental income	5,702	5,973
	42,810	54,832
<b>Total revenue</b>	<b>53,446</b>	<b>65,166</b>
<b>Other income and gains</b>		
Interest income on:		
– bank deposits	55	138
– clearing house	36	25
	91	163
Gain on deemed disposal of an associate	–	472
Bad debts recovery (Note)	–	42,000
Others	93	370
	93	42,842
<b>Total other income and gains</b>	<b>184</b>	<b>43,005</b>
<b>Total revenue, other income and gains</b>	<b>53,630</b>	<b>108,171</b>

Note: Loss allowance of loan and interest receivables which was classified as under-performing and not-performing amounting to HK\$42,973,000 was fully written off during the year ended 31 December 2022. The borrower had repaid the loan of HK\$42,000,000 in aggregate during the six months ended 30 June 2023, which resulted in bad debt recovery.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 5. OTHER LOSSES

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Loss on future trading	–	138
Net exchange loss	1	2
Net fair value loss on financial assets at FVPL	39,937	70,534
Net fair value loss on investment properties	9,900	7,300
	<u>49,838</u>	<u>77,974</u>

## 6. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on interest-bearing borrowings	7,303	6,304
Interest on margin account	525	478
Imputed interest on lease liabilities	347	218
	<u>8,175</u>	<u>7,000</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 7. LOSS BEFORE TAXATION

This is stated after charging:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	11,931	13,585
Retirement benefit scheme contributions	271	334
	<u>12,202</u>	<u>13,919</u>
Amortisation of intangible assets – included in administrative expenses	25	25
	<u><u>12,227</u></u>	<u><u>13,944</u></u>

## 8. INCOME TAX EXPENSE

Under the two-tiered profits tax regime, the profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 June 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Current tax</b>		
Hong Kong Profits Tax	87	632
	<u><u>87</u></u>	<u><u>632</u></u>

## 9. DIVIDEND

The board of directors of the Company does not recommend payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 10. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the period as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Loss for the period attributable to owners of the Company, for the purpose of basic and diluted loss per share	<b>(91,050)</b>	(30,690)

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>No. of shares</b>	No. of shares
	<b>(Unaudited)</b>	(Unaudited)
Weighted average number of ordinary shares in issue during the period, for the purpose of basic and diluted loss per share	<b>945,527,675</b>	945,527,675

Diluted loss per share is the same as the basic loss per share for the six months ended 30 June 2024 and 2023 because there was no potential dilutive ordinary share outstanding.

## 11. INVESTMENT IN ASSOCIATES

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
<b>Unlisted shares</b>		
Share of net assets	<b>271,839</b>	319,111

As at 30 June 2024, interests in associates mainly represented the Group's interests in 48% and 33% (31 December 2023: 48% and 33%) of the issued ordinary share capital of Green River Associates Limited and HEC Securities Company Limited.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 12. TRADE, LOAN AND OTHER RECEIVABLES

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Trade receivables</b>			
Trade receivables arising from the business of securities brokerage	(a)		
– margin clients	(b)	653,227	636,419
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	(g)	20,517	12
Trade receivables from futures clearing house arising from the business of dealing in futures contracts	(a)	3,533	3,517
		<b>677,277</b>	639,948
Less: Loss allowance		<b>(16,997)</b>	(1,361)
		<b>660,280</b>	638,587
Trade receivables from provision of corporate advisory service		8,507	7,472
Trade receivables from provision of financial advisory service		291	3,790
Trade receivables from provision of assets management service			
– from independent third parties		575	140
– from an associate		52	85
	(c)	<b>9,425</b>	11,487
Less: Loss allowance		<b>(1,045)</b>	(1,045)
		<b>8,380</b>	10,442
<b>Loan and interest receivables</b>			
Loan and interest receivables from independent third parties		121,079	133,125
Less: Loss allowance		<b>(2,030)</b>	(896)
	(d)	<b>119,049</b>	132,229
<b>Other receivables</b>			
Prepayments		1,580	1,979
Deposits		1,740	1,726
Other receivables	(f)	172,135	170,514
Due from an associate	(e)	2,028	2,026
		<b>177,483</b>	176,245
Less: Loss allowance		<b>(89)</b>	(4,187)
		<b>177,394</b>	172,058
		<b>965,103</b>	953,316
Less: Non-current portion Other receivables		<b>(824)</b>	(964)
Current portion		<b>964,279</b>	952,352

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 12. TRADE, LOAN AND OTHER RECEIVABLES (continued)

Notes:

- (a) No ageing analysis by invoice date 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 brokerage business.
- (b) Trade receivables from margin clients are repayable on demand and bear interest ranging from 8% to 20% (31 December 2023: 8% to 20%) per annum as at the end of the reporting period. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$734,870,000 (31 December 2023: HK\$1,143,914,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payment when requested by the Group. Included in trade receivables from margin clients of HK\$70,402,000 at 30 June 2024 was amount due from an associate (31 December 2023: HK\$79,629,000).

As at 30 June 2024, the Group has concentration of credit risk as 24% and 91% (31 December 2023: 28% and 96%) of total margin loans are due from the Group's largest margin client and the five largest margin clients respectively, within the financial services business.

- (c) Trade receivables from provision of corporate advisory service, financial advisory service and assets management service are unsecured, interest-free and repayable within 30 days upon presentation of invoices.

As at 30 June 2024, allowance for impairment loss of HK\$1,045,000 (31 December 2023: HK\$1,045,000) is recognised for the trade receivables from provision of corporate advisory service, financial advisory service and asset management service.

Ageing analysis of trade receivables from the provision of corporate advisory service, financial advisory service and asset management service other than due from an associate (net of loss allowance) prepared based on invoice date is as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Less than 1 month	4,270	949
1 to 3 months	4,058	9,408
At the end of the reporting period	<b>8,328</b>	10,357

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 12. TRADE, LOAN AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (d) Loan receivables represent receivables arising from the Group's credit and lending business and are stated at amortised cost.

Details of the personal and corporate loan receivables as at 30 June 2024 and 31 December 2023 respectively are as follows:

Category	Unsecured/ Secured	Principal amount in range	Interest rate in range	30 June 2024			Gross amount HK\$'000	Impaired amount HK\$'000	Net amount HK\$'000
				Contractual loan period (months)	Number of loans	Collateral			
Personal	Secured	HK\$3,382,005 to HK\$13,000,000	7.50% to 10%	6 to 12	3	Unlisted equity securities and a property in Hong Kong	29,730	397	29,333
	Unsecured	HK\$13,000,000 to HK\$17,000,000	0% to 10%	6 to 12	5	N/A	76,344	1,629	74,715
Corporate	Unsecured	HK\$15,000,000	1%*	12	1	N/A	15,005	4	15,001
					9		121,079	2,030	119,049

\* 1% being the handling fee income for a loan receivable of HK\$15,000,000

Category	Unsecured/ Secured	Principal amount in range	Interest rate in range	31 December 2023			Gross amount HK\$'000	Impaired amount HK\$'000	Net amount HK\$'000
				Contractual loan period (months)	Number of loans	Collateral			
Personal	Secured	HK\$30,000,000	7.50%	12	1	Unlisted equity securities	34,983	173	34,810
	Unsecured	HK\$16,000,000 to HK\$18,500,000	8% to 10%	6 to 12	4	N/A	71,559	670	70,889
Corporate	Unsecured	HK\$3,382,005 to HK\$15,000,000	10%	6 to 12	3	N/A	26,583	53	26,530
					8		133,125	896	132,229

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background check (such as their profession, salaries and current working position for individual borrowers and their industry and financial position for corporate borrowers) and repayment abilities. As at 30 June 2024, allowance for impairment loss of approximately HK\$2,030,000 (31 December 2023: HK\$896,000) has been recognised for the loan receivables.

Ageing analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Not yet past due	<b>119,049</b>	132,229

As at 30 June 2024, the Group has concentration of credit risk as 15% and 67% (31 December 2023: 26% and 80%) of total loan receivables which was due from the Group's largest borrower and the five largest borrowers respectively.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 12. TRADE, LOAN AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (e) The amount due is unsecured, interest-free and has no fixed repayment term.
- (f) Included in the other receivables are other loan receivables of HK\$164,000,000 (31 December 2023: HK\$164,000,000) from an independent third party. The amounts of other loan receivables were secured by pledged listed securities with a total fair value of approximately HK\$136,823,000 (31 December 2023: HK\$159,813,000), interest-free and repayable on demand.
- (g) The settlement terms of trade receivables arising from the financial services business with HKSCC are usually two days after trade date.

## 13. DESIGNATED FVOCI

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Listed securities in Hong Kong		
Imagi International Holdings Ltd.	14,128	53,251
Auto Italia Holdings Ltd.	–	29,600
Oshidori International Holdings Ltd.	6,277	10,394
Y.T. Realty Group Ltd.	5,800	12,000
Blue River Holdings Ltd.	6,100	15,000
ZhongAn Online P&C Insurance Co., Ltd.	13,037	17,126
Others	21,037	18,215
	<b>66,379</b>	<b>155,586</b>

At the date of initial recognition, the Group irrevocably designated certain investments in equity securities as Designated FVOCI because these equity securities represent investments that the Group intends to hold for long-term strategic purposes. The Group considers the accounting treatments under this classification provide more relevant information for those investments.

During the six months ended 30 June 2024, the net fair value change on equity investments under Designated FVOCI of HK\$66,336,000 (six months ended 30 June 2023: Nil) was recognised in other comprehensive expense.

At the end of the reporting period, no investments exceeded 10% of the Group's total assets.

## 14. FINANCIAL ASSETS AT FVPL

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Unlisted equity securities, at fair value (Note)	60,341	83,400
Listed securities in Hong Kong	47,954	64,832
	<b>108,295</b>	<b>148,232</b>
Analysed as:		
Non-current	60,341	83,400
Current	47,954	64,832
	<b>108,295</b>	<b>148,232</b>

Note:

The amount represents the unlisted equity which classified as financial assets at FVPL. In the opinion of the directors of the Company, these investments were held for long term investment. At the end of the reporting period, no investments exceeded 10% of the Group's total assets.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 15. TRADE AND OTHER PAYABLES

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Trade payables</b>			
Trade payables arising from the business of securities brokerage	(a)		
– cash clients		327	546
– margin clients		759	1,264
Trade payables arising from the business of options broking	(a)	209	209
Trade payables arising from the business of dealing in futures contracts	(b)	1,758	1,482
Secured margin loans from securities broker	(c)	12,019	11,493
		<b>15,072</b>	<b>14,994</b>
<b>Other payables</b>			
Other payables and accrued charges		4,979	6,990
Rental deposits received		1,792	1,562
		<b>6,771</b>	<b>8,552</b>
Less: Non-current portion Other payables		(742)	(1,562)
Current portion		<b>6,029</b>	<b>6,990</b>
Total Current portion		<b>21,101</b>	<b>21,984</b>

Notes:

- (a) Trade payables to cash, margin and option clients are repayable on demand. 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 financial services business. The Group offsets certain trade receivables and trade payables when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.
- (b) Trade payables to clients arising from the business of dealing in futures contracts are margin deposits received from clients for their trading of futures contracts on the Hong Kong Futures Exchange Limited (the "HKFE"). The excesses of the outstanding amounts over the required initial margin deposits stipulated by the HKFE are repayable to clients on demand.
- (c) For secured margin loans provided by the securities broker to the Group, the loans are repayable on demand (except certain balance arising from trades pending settlement or margin deposits) and are interest-bearing at a range from 9% to 15% per annum (31 December 2023: 9% to 15% per annum). The total market value of debt and equity securities pledged as collateral in respect of the loans was approximately HK\$26,847,000 as at 30 June 2024 (31 December 2023: HK\$38,533,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 16. INTEREST-BEARING BORROWINGS

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Secured bank loans repayable on demand	<b>233,304</b>	239,720

The ranges of interest rates on the Group's interest-bearing borrowings are as follows:

	<b>30 June 2024</b>	31 December 2023
Interest rates		
1 month HIBOR*	<b>Plus 1.5% to 1.7% per annum</b>	Plus 1.5% to 1.7% per annum

\* *Hong Kong Interbank Offer Rate*

At the end of the reporting period, bank loans with a clause in their terms that gives the banks an overriding right to demand for repayment are classified as current liabilities even though the directors do not expect that the banks would exercise their right to demand repayment. The bank loans are denominated in Hong Kong dollars and secured by the Group's certain investment properties with carrying value of approximately HK\$443,000,000 (31 December 2023: HK\$452,900,000) and a corporate guarantee of HK\$282,300,000 (31 December 2023: HK\$282,300,000) provided by the Company.

The maturity terms of the bank loans based on repayment schedule pursuant to the loan facility letters (ignoring the effect of any repayment on demand clause) are as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Within one year	<b>233,304</b>	162,019
In the second year	–	77,701
	<b>233,304</b>	239,720

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 17. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
<b>At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024</b>	<b>5,000,000,000</b>	<b>500,000</b>
	<b>Number of shares</b>	<b>Share capital HK\$'000</b>
Issued and fully paid:		
<b>At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024</b>	<b>945,527,675</b>	<b>94,553</b>

## 18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances set out elsewhere in the Interim Financial Statements, during the period, the Group had the following transactions with related parties:

a) Transactions Related party relationship	Nature of transaction	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Associate	Asset management income	397	568
	Commission income from margin client	46	19
	Interest income from margin client	3,501	10
Company controlled by the de facto controller of the Company	Lease payments	2,014	2,014

### b) Key management personnel

The key management personnel are the directors of the Company. During the six months ended 30 June 2024, the emoluments of key management personnel were HK\$2,537,000 (six months ended 30 June 2023: HK\$2,217,000).



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Interim Financial Statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

### (a) Fair value of the Group's financial assets that are measured at fair value

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2024 (Unaudited)	31 December 2023 (Audited)		
1) Investments in listed equity securities classified as financial assets at FVPL	<b>Listed equity securities in: – Hong Kong HK\$47,954,000</b>	Listed equity securities in: – Hong Kong HK\$64,832,000	Level 1	Quoted bid prices in an active market
2) Investment in unlisted equity securities classified as financial assets at FVPL	<b>HK\$10,379,000</b>	HK\$17,000,000	Level 2	Net asset value method and derived from inputs for the asset or liability
3) Investment in unlisted equity securities classified as financial assets at FVPL	<b>HK\$49,962,000</b>	HK\$66,400,000	Level 3	Adjusted net asset value method and derived from unobservable inputs for the asset or liability by the management or an independent professional qualified valuer (31 December 2023: independent professional qualified valuer)
4) Investments in listed equity securities classified as financial assets at FVOCI	<b>Listed equity securities in: – Hong Kong HK\$66,379,000</b>	Listed equity securities in: – Hong Kong HK\$155,586,000	Level 1	Quoted bid prices in an active market

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENTS *(continued)*

### (a) Fair value of the Group's financial assets that are measured at fair value *(continued)*

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements in current period. The details of the financial assets at FVPL are set out in note 14 to the condensed consolidated financial statements.

The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the six months ended 30 June 2024 and the year ended 31 December 2023 are as follows:

#### *Movements in Level 3 fair value measurements*

	Financial assets at FVPL	
	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
At the beginning of the period/year	66,400	–
Addition	–	61,600
Decrease in fair value	(16,438)	(11,600)
Transfer into Level 3	–	16,400
<b>At the end of the period/year</b>	<b>49,962</b>	<b>66,400</b>

### (b) Fair value of the Group's investment properties that are measured at fair value

Investment properties at fair value	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2024 (Unaudited)	31 December 2023 (Audited)		
Investment properties	HK\$495,800,000	HK\$505,700,000	Level 3	Direct comparison approach with adjustment on unobservable inputs of price (per square foot) by an independent professional qualified valuer

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements in current period.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENTS *(continued)*

### (b) Fair value of the Group's investment properties that are measured at fair value *(continued)*

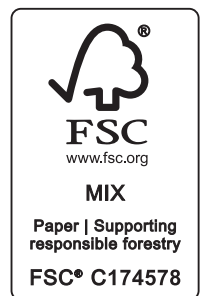
The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the six months ended 30 June 2024 and the year ended 31 December 2023 are as follows:

#### *Movements in Level 3 fair value measurements*

	<b>Investment properties</b>	
	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
At the beginning of the period/year	505,700	513,800
Decrease in fair value	(9,900)	(8,100)
<b>At the end of the period/year</b>	<b>495,800</b>	<b>505,700</b>

### (c) Fair value of the Group's financial assets and financial liabilities carried at other than fair value

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.



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