



Victory Securities (Holdings) Company Limited

勝利證券(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8540)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This announcement, for which the directors (the “**Directors**”) of Victory Securities (Holdings) Company Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

The financial highlights of the Company and its subsidiaries (collectively, the “**Group**”) are as follows:

| | For the year ended | | | |
|---|--------------------|----------|-------------|--------|
| | 31 December | | | |
| | 2024 | 2023 | Differences | Change |
| | HK\$'000 | HK\$'000 | HK\$'000 | % |
| Revenue | 74,964 | 54,966 | 19,998 | 36.4 |
| Commission expenses | 9,437 | 4,688 | 4,749 | 101.3 |
| Staff costs | 39,029 | 32,150 | 6,879 | 21.4 |
| Other operating expenses | 22,628 | 28,140 | (5,512) | (19.6) |
| Loss for the year | (2,321) | (25,080) | 22,759 | (90.7) |
| Basic loss per share (<i>in HK cents</i>) | (1.64) | (13.45) | | |
| Diluted loss per share (<i>in HK cents</i>) | (1.64) | (13.45) | | |

Revenue for the year ended 31 December 2024 was HK\$74.96 million, representing an increase of approximately 36.4% as compared to the revenue of approximately HK\$54.97 million for the year ended 31 December 2023, reflecting the increase in revenue mainly from securities/futures brokerage services, placing and underwriting services, virtual asset services, handling fee services and financial advisory services, which compensated the decrease in revenue from financing services, asset management services and insurance consultancy services when compared to the corresponding period in year 2023.

Loss for the year ended 31 December 2024 was approximately HK\$2.32 million, representing a decrease of approximately 90.7% as compared to the loss of approximately HK\$25.08 million for the year ended 31 December 2023 mainly due to increase in revenue of the Group for the year ended 31 December 2024, especially from the virtual asset dealing and related services, as well as the decrease in other operating expenses and charge for allowance for expected credit losses on accounts receivable, net. However, the effect was partly offset by the increase in staff costs for the enhancement of the IT infrastructure.

A final dividend of HK1.80 cents per share for the year ended 31 December 2024 (for the year ended 31 December 2023: HK0.50 cents) was recommended by the board of Directors (the “**Board**”) and payable subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

The Board of the Group is pleased to present the consolidated results of the Group for the year ended 31 December 2024, together with the represented comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

| | Note | 2024 HK\$ | 2023 HK\$ |
|---|------|---------------------|--------------|
| REVENUE | 4 | | |
| Revenue from contracts with customers | | 46,197,062 | 29,255,693 |
| Revenue from other sources | | 28,766,678 | 25,710,391 |
| | | 74,963,740 | 54,966,084 |
| Other income | 5 | 1,034,700 | 2,510,788 |
| Other gains/(losses), net | 5 | 1,654,028 | (1,170,326) |
| | | 77,652,468 | 56,306,546 |
| Commission expenses | | (9,436,665) | (4,687,531) |
| Depreciation and amortisation | | (5,479,290) | (5,222,799) |
| Staff costs | 6 | (39,028,760) | (32,149,822) |
| Other operating expenses | | (22,628,301) | (28,139,915) |
| Release/(charge) for allowance for expected credit losses on accounts receivable, net | | 2,461,730 | (8,805,879) |
| Finance costs | 8 | (6,087,035) | (6,471,128) |
| Total expenses | | (80,198,321) | (85,477,074) |
| Share of profits/(losses) of: | | | |
| A joint venture | | – | (60) |
| Associates | | 61,039 | (201,649) |
| LOSS BEFORE TAX | 7 | (2,484,814) | (29,372,237) |
| Income tax credit | 9 | 163,405 | 4,292,563 |
| LOSS FOR THE YEAR | | (2,321,409) | (25,079,674) |
| Attributable to: | | | |
| Owners of the Company | | (3,140,026) | (24,969,812) |
| Non-controlling interests | | 818,617 | (109,862) |
| | | (2,321,409) | (25,079,674) |
| LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Basic (<i>in HK cents</i>) | 11 | (1.64) | (13.45) |
| Diluted (<i>in HK cents</i>) | 11 | (1.64) | (13.45) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

| | 2024 | 2023 |
|--|---------------------------|----------------------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| LOSS FOR THE YEAR | <u>(2,321,409)</u> | <u>(25,079,674)</u> |
| OTHER COMPREHENSIVE (LOSS)/INCOME | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences: | | |
| Exchange differences on translation of foreign operations | (462,875) | (159,301) |
| Items that will not be reclassified to profit or loss in subsequent periods: | | |
| (Loss)/gain on revaluation of land and buildings held for own use | | |
| – gross (loss)/gain | (5,954,470) | 1,548,755 |
| – income tax effect | <u>982,488</u> | <u>(255,545)</u> |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX | <u>(5,434,857)</u> | <u>1,133,909</u> |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | <u><u>(7,756,266)</u></u> | <u><u>(23,945,765)</u></u> |
| Attributable to: | | |
| Owners of the Company | (8,555,012) | (23,821,714) |
| Non-controlling interests | <u>798,746</u> | <u>(124,051)</u> |
| | <u><u>(7,756,266)</u></u> | <u><u>(23,945,765)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

| | <i>Note</i> | 2024 HK\$ | 2023 <i>HK\$</i> (Represented) |
|--|-------------|----------------------------|--------------------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 43,382,862 | 53,769,351 |
| Investment property | | 7,200,000 | 9,081,600 |
| Intangible assets | | 5,836,928 | 272,765 |
| Investments in a joint venture | | – | – |
| Investments in associates | | 909,922 | 2,047,879 |
| Other investments | | 4,357,120 | 4,224,048 |
| Other assets | | 430,000 | 475,000 |
| Total non-current assets | | 62,116,832 | 69,870,643 |
| CURRENT ASSETS | | | |
| Accounts receivable | 12 | 410,786,577 | 189,743,326 |
| Prepayments and other receivables | | 15,441,936 | 10,702,380 |
| Other investments | | 13,861,605 | 5,888,966 |
| Tax recoverable | | 875,711 | 875,711 |
| Pledged deposits | | 4,400,423 | 4,213,523 |
| Cash and cash equivalents | | 12,559,779 | 19,459,659 |
| Total current assets | | 457,926,031 | 230,883,565 |
| CURRENT LIABILITIES | | | |
| Accounts payable | 13 | 161,017,995 | 29,814,755 |
| Other payables and accruals | | 7,761,264 | 5,217,226 |
| Bank and other borrowings | | 166,689,990 | 92,798,487 |
| Lease liabilities | | 422,520 | 1,912,275 |
| Other liabilities | | 5,727,317 | 4,358,173 |
| Bonds issued | | – | 1,079,235 |
| Total current liabilities | | 341,619,086 | 135,180,151 |
| NET CURRENT ASSETS | | 116,306,945 | 95,703,414 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 178,423,777 | 165,574,057 |

| | <i>Note</i> | 2024 HK\$ | 2023 <i>HK\$</i> (Represented) |
|---|-------------|----------------------------|--------------------------------------|
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 32,806 | 405,479 |
| Deferred tax liabilities | | 919,745 | 2,065,638 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 952,551 | 2,471,117 |
| | | <hr/> | <hr/> |
| Net assets | | 177,471,226 | 163,102,940 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 14 | 2,080,218 | 2,003,658 |
| Other reserves | | 170,468,440 | 161,001,773 |
| | | <hr/> | <hr/> |
| | | 172,548,658 | 163,005,431 |
| Non-controlling interests | | 4,922,568 | 97,509 |
| | | <hr/> | <hr/> |
| Total equity | | 177,471,226 | 163,102,940 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Notes:

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 22 August 2016. The registered office of the Company is located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The address of its headquarters and principal place of business in Hong Kong is 11/F, Yardley Commercial Building, 3 Connaught Road West, Sheung Wan, Hong Kong.

The Company is an investment holding company. During the year, the Company's subsidiaries were principally engaged in the businesses of securities/futures/insurance policies broking, placing and underwriting services and advising on securities services, financing services, asset management services, financial advisory services and investment consultancy services in Hong Kong.

One of the subsidiaries is a licensed corporation under the Hong Kong Securities and Futures Ordinance (the "SFO") to carry out business of dealing in securities (Type 1), dealing in futures contracts (Type 2), advising on securities (Type 4) and asset management (Type 9). The subsidiary is also a participant of the Stock Exchange.

The Securities and Futures Commission of Hong Kong ("SFC") has agreed to the provision of (i) virtual asset dealing services under an omnibus account arrangement; (ii) virtual asset dealing services by way of introducing eligible clients to licensed virtual asset platforms for direct trading; (iii) market and distribute of virtual asset-related private funds to eligible clients; (iv) securities brokerage services to eligible clients with respect to virtual asset-related exchange traded funds (including exchange-traded virtual asset derivative funds); and (v) virtual asset advisory services by one of the subsidiaries of the Company, with licensing conditions imposed on the license of the subsidiary by the SFC on 10 October 2022.

The subsidiary has also secured consent from the SFC to manage portfolios that invest in virtual assets, subject to compliance with the SFC's "Proforma Terms and Conditions for Licensed Corporations which Manage Portfolios that Invest in Virtual Assets" on 21 March 2023.

Another subsidiary is a licensed corporation under the SFO to carry out business of advising on corporate finance (Type 6), under the condition that (i) it shall not hold client assets; (ii) shall only provide services to professional investors as defined in the SFO; and (iii) shall not act as a sponsor in respect of an application for the listing on a recognised stock market of any securities.

In the opinion of the Directors of the Company, the immediate holding company and the ultimate holding company of the Group is Dr. TT Kou's Family Company Limited, which is incorporated in the British Virgin Islands with limited liability and its ultimate controlling shareholder is Ms. Kou Kuen, an executive Director and the chief executive officer of the Company.

As at the end of the year, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

| Name | Place of incorporation/ registration and business | Issued ordinary/ registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|---|--|-----------------------------|--|
| | | | Direct | Indirect | |
| Victory Securities Holding Limited | British Virgin Islands/ Hong Kong | US\$50,000 | 100% | – | Investment holding |
| Victory Securities Company Limited (“Victory Securities (HK)”) | Hong Kong | HK\$145,000,000 | – | 100% | Securities/futures broking and placing and underwriting services, advising on securities services, financing services, asset management services and investment consultancy services |
| Victory Insurance Consultants Limited | Hong Kong | HK\$1,000,000 | – | 100% | Provision of insurance consultancy services |
| Victory Premier SPC | Cayman Islands | US\$50,000 | – | 100% | Inactive |
| VSAM Company Limited* | Hong Kong | HK\$1,000,000 | – | – | Inactive |
| VS Capital Limited | Hong Kong | HK\$10,000,000 (2023: HK\$8,000,000) | – | 100% | Provision of financial advisory services |
| 深圳市勝利私募證券投資基金管理有限公司 | Shenzhen, People’s Republic of China | RMB50,000,000 | – | 100% | Provision of asset management services |
| Victory Spectacular Fund SPC | Cayman Islands | US\$0.01 | – | 100% | Inactive |
| Victory Asset Management Japan Limited | Japan | JPY80,000,000 (2023: JPY50,000,000) | – | 90.625% (2023: 89.5%) | Provision of asset management services |
| Victory Privilege Fund OFC | Hong Kong | HK\$10 | – | 100% | Provision of asset management services |
| Imagine Works Limited** | British Virgin Islands | US\$100 | – | 55% | Inactive |
| Victory Privilege Fund OFC-Victory EMC BTC Cycle Fund*** (“BTC Fund”) | Hong Kong | US\$799,970 | – | 36.24% | Investment in virtual assets and bitcoin |

* VSAM was deregistered on 7 June 2024.

** Imagine Works Limited was acquired on 13 May 2024.

*** The Group acts as an investment manager and has control over the structured entity. The Group assessed that the combination of its investments and remuneration creates significant exposure to the variability of returns from the activities of BTC Fund. As a result, BTC Fund should be consolidated, as the Group acts in the role of a principal.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the investment property, land and buildings classified as property, plant and equipment, and financial assets and liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest dollar except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries including structured entity made up to 31 December. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRS Accounting Standards for the first time for the current year's financial statements.

| | |
|--|--|
| Amendments to HKAS 1 | <i>Classification of Liabilities as Current or Non-current</i> |
| Amendments to HKAS 1 | <i>Non-current Liabilities with Covenants</i> |
| Amendments to HKFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Hong Kong Interpretation 5 ("HK Int 5") (Revised) | <i>Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i> |
| Amendments to HKAS 7 and HKFRS 7 | <i>Supplier Finance Arrangements</i> |

The nature and the impact of the new and revised HKFRS Accounting Standards that are applicable to the Group are described below:

Amendments to HKAS 1, the Group changed its accounting policy for the classification of borrowings as below:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of Victory Securities (Holdings) Company Limited's borrowings. The Group did not make retrospective adjustments as a result of adopting HKAS 1 Amendments.

Except for the above, other amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRS Accounting Standards, if applicable, when they become effective.

| | Effective for accounting periods beginning on or after |
|--|---|
| Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability | 1 January 2025 |
| Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing nature-dependent electricity | 1 January 2026 |
| Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments | 1 January 2026 |
| Annual Improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18 – Presentation and Disclosure in Financial Statements | 1 January 2027 |
| HKFRS 19 – Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause | 1 January 2027 |
| Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined by the HKICPA |

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements, except HKFRS 18 “Presentation and Disclosure in Financial Statements”.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

- (a) the securities/futures broking services segment comprises the provision of broking services in securities and futures traded in Hong Kong and overseas markets and the provision of equity and debt securities placing and underwriting services to listed clients;
- (b) the financing services segment comprises the provision of financing services to margin and cash clients;
- (c) the asset management services segment comprises the provision of fund management and wealth management services;
- (d) the insurance consultancy services segment comprises the provision of insurance consultancy services;
- (e) the financial advisory services segment comprises the provision of financial advisory services; and
- (f) the virtual asset service segment comprises the provision of virtual assets dealing and related services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that unallocated other income and gains/losses as well as corporate expenses are excluded from such measurement.

Year ended 31 December 2024

| | Securities/ futures broking services HK\$ | Financing services HK\$ | Asset management services HK\$ | Insurance consultancy services HK\$ | Financial advisory services HK\$ | Virtual asset services HK\$ | Total HK\$ |
|--|---|-------------------------------|---|--|---|--------------------------------------|---------------------------|
| Segment revenue (note 4) | 35,242,145 | 17,404,427 | 6,860,165 | 505,315 | 645,000 | 14,306,688 | 74,963,740 |
| Segment results | 17,720,750 | 13,489,033 | 1,711,260 | 29,302 | (2,124,804) | 2,292,175 | 33,117,716 |
| <i>Reconciliation:</i> | | | | | | | |
| Other income | | | | | | | 1,034,700 |
| Other gains/(losses): | | | | | | | |
| – Fair value changes on other investments | | | | | | | 2,402,340 |
| – Other | | | | | | | (748,312) |
| Corporate and other unallocated expenses | | | | | | | <u>(38,291,258)</u> |
| Loss before tax | | | | | | | <u><u>(2,484,814)</u></u> |
| Other segment information: | | | | | | | |
| Interest income from clients | <u>–</u> | <u>17,404,427</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>17,404,427</u> |
| Finance costs (other than interest on lease liabilities) | <u>–</u> | <u>(6,014,305)</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>(6,014,305)</u> |
| Commission expenses | <u>(4,648,708)</u> | <u>–</u> | <u>–</u> | <u>(339,513)</u> | <u>–</u> | <u>(4,448,444)</u> | <u>(9,436,665)</u> |
| Release for allowance for ECLs on accounts receivable, net | <u>–</u> | <u>2,461,730</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>2,461,730</u> |
| Impairment loss on associate | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>(1,100,000)</u> |

The depreciation and amortisation for the year ended 31 December 2024 of HK\$4,844,610 (2023: HK\$5,009,483) and HK\$634,680 (2023: HK\$213,316), respectively, are included in the unallocated expenses.

Year ended 31 December 2023

| | Securities/ futures broking services HK\$ (Represented) | Financing services HK\$ | Asset management services HK\$ | Insurance consultancy services HK\$ | Financial advisory services HK\$ | Virtual asset services HK\$ (Represented) | Total HK\$ |
|---|--|-------------------------------|---|--|---|---|---------------|
| Segment revenue (note 4) | 24,835,500 | 19,859,883 | 7,258,933 | 1,776,481 | 205,321 | 1,029,966 | 54,966,084 |
| Segment results | 10,858,774 | 4,702,845 | (6,026,306) | 231,676 | (2,239,591) | 651,339 | 8,178,737 |
| <i>Reconciliation:</i> | | | | | | | |
| Other income | | | | | | | 2,510,788 |
| Other gains/(losses): | | | | | | | |
| – Fair value changes on other investments | | | | | | | – |
| – Other | | | | | | | (1,170,326) |
| Corporate and other unallocated expenses | | | | | | | (38,891,436) |
| Loss before tax | | | | | | | (29,372,237) |
| Other segment information: | | | | | | | |
| Interest income from clients | – | 19,859,883 | – | – | – | – | 19,859,883 |
| Finance costs (other than interest on lease liabilities) | – | (6,351,159) | – | – | – | – | (6,351,159) |
| Commission expenses | (3,061,834) | – | – | (1,247,070) | – | (378,627) | (4,687,531) |
| Charge for allowance for ECLs on accounts receivable, net | – | (8,805,879) | – | – | – | – | (8,805,879) |

Geographical information

The Group's non-current assets are located in Hong Kong. The Group operates in Hong Kong and its revenue is derived from its operations in Hong Kong.

Information about major customers

There was no customer from which the revenue amounted to over 10% of the total revenue of the Group during the years ended 31 December 2024 and 31 December 2023.

4. REVENUE

An analysis of revenue is as follows:

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|--|---------------------|---------------------|
| <i>Revenue from contracts with customers</i> | 46,197,062 | 29,255,693 |
| <i>Revenue from other sources</i> | | |
| Losses on guaranteed contracts | (1,369,144) | (201,419) |
| Interest income calculated using the effective interest method from: | | |
| – clients | 17,404,427 | 19,859,883 |
| – authorized institutions | 11,350,293 | 5,705,910 |
| – others | 1,381,102 | 346,017 |
| | <hr/> | <hr/> |
| Sub-total of revenue from other sources | 28,766,678 | 25,710,391 |
| | <hr/> | <hr/> |
| Total revenue | 74,963,740 | 54,966,084 |
| | <hr/> <hr/> | <hr/> <hr/> |

All interest income disclosed in the above was derived from financial assets not at fair value through profit or loss.

Disaggregation of revenue from contracts with customers by major service line is as follows:

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|---------------------|---------------------|
| Commission and brokerage income | 13,365,373 | 13,183,370 |
| Placing and underwriting commission income | 4,259,822 | 1,581,786 |
| Virtual asset dealing and related income | 14,306,688 | 1,029,966 |
| Income from advising on securities | – | 837,000 |
| Handling fee income | 4,885,555 | 3,181,417 |
| Asset management fee | 8,229,309 | 7,460,352 |
| Financial advisory fee | 645,000 | 205,321 |
| Insurance consultancy fee | 505,315 | 1,776,481 |
| | <hr/> | <hr/> |
| Total revenue from contracts with customers | 46,197,062 | 29,255,693 |
| | <hr/> <hr/> | <hr/> <hr/> |

5. OTHER INCOME AND GAINS, NET

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|--|---------------------|---------------------|
| (a) Other income | | |
| Government grant* | – | 1,700,454 |
| Gross rental income | 474,000 | 474,000 |
| Sundry income | 560,700 | 336,334 |
| | <u>1,034,700</u> | <u>2,510,788</u> |
| (b) Other gains/(losses), net | | |
| Other gains: | | |
| Trading gains, net | | |
| Fair value gains on financial assets at fair value through profit or loss | 1,009,878 | 17,265 |
| Fair value change on other investments | | |
| – Realised | 190,155 | – |
| – Unrealised | 2,212,185 | – |
| Dividend income from financial assets at fair value through profit or loss | 123,410 | 130,809 |
| | <u>3,535,628</u> | <u>148,074</u> |
| Other losses, net | | |
| Fair value loss on investment property | (1,881,600) | (1,318,400) |
| | <u>1,654,028</u> | <u>(1,170,326)</u> |

* During the year ended 31 December 2023, the government subsidy under the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone for supporting financial industry development in Qianhai was granted to the Group. There are no unfulfilled conditions or contingencies relating to these grants.

6. STAFF COSTS

Staff costs (including directors' and chief executive's remuneration) are as follows:

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|---------------------|---------------------|
| Salaries, allowances and benefits in kind | 37,434,843 | 30,217,238 |
| Share-based payment expenses | 520,777 | 921,890 |
| Contributions to Mandatory Provident Fund and Occupational Retirement Schemes | 1,073,140 | 1,010,694 |
| | <u>39,028,760</u> | <u>32,149,822</u> |

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|---|-----------------------------|-----------------------------|
| Auditor's remuneration | | |
| – Audit services | 964,185 | 1,122,358 |
| Amortisation | 634,680 | 213,316 |
| Depreciation of property, plant and equipment | 3,032,946 | 3,019,597 |
| Depreciation of right-of-use assets | 1,811,664 | 1,989,886 |
| Direct operating expenses arising from rental-earning investment property | 10,331 | 9,331 |
| Exchange and clearing fee | 758,992 | 903,824 |
| Foreign exchange differences, net | 95,458 | 52,216 |
| Information service expenses | 2,643,839 | 2,263,958 |
| Lease payments not included in the measurement of lease liabilities | 304,654 | 203,494 |
| (Release)/charge for allowance for ECLs on accounts receivable, net | (2,461,730) | 8,805,879 |
| Share-based payment expenses | 520,777 | 921,890 |
| Discretionary payments* | – | 6,907,424 |
| | <u> </u> | <u> </u> |

* During the year ended 31 December 2023, the Group made discretionary payments at a total amount of approximately HK\$6.91 million to certain unitholders of a fund managed by the Group. The payment is discretionary in nature made with reference to the fund's performance as approved by the Group management and was paid to the unitholders via the trustee, which is a related party of the Group.

8. FINANCE COSTS

An analysis of finance costs is as follows:

| | 2024 <i>HK\$</i> | 2023 <i>HK\$</i> |
|--|-----------------------------|-----------------------------|
| Interest on bank loans, overdrafts and other loans | 5,731,075 | 5,722,412 |
| Interest on bonds issued | 20,765 | 86,084 |
| Interest on client payables with no fixed repayment terms | 262,465 | 542,663 |
| Interest on lease liabilities | 72,730 | 119,969 |
| | <u> </u> | <u> </u> |
| Total interest expense on financial liabilities not at fair value through profit or loss | <u>6,087,035</u> | <u>6,471,128</u> |

9. INCOME TAX CREDIT

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group's Hong Kong entities have no assessable profit during the years ended 31 December 2024 and 2023.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2024.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries of the Group is 25% from 1 April 2008 onwards. No provision for EIT Law is required since the PRC subsidiaries of the Group have no assessable profits for the year ended 31 December 2024 (2023: Nil).

| | 2024 HK\$ | 2023 HK\$ |
|-------------------------------|-------------------------|---------------------------|
| Deferred tax | <u>(163,405)</u> | <u>(4,292,563)</u> |
| Total tax credit for the year | <u><u>(163,405)</u></u> | <u><u>(4,292,563)</u></u> |

10. DIVIDENDS

| | <i>Note</i> | 2024 HK\$ | 2023 HK\$ |
|---|-------------|-------------------------|-------------------------|
| Interim dividend | a | 208,022 | 1,600,336 |
| Less: dividend for shares held under the Company's share award scheme | | <u>(14,430)</u> | <u>(115,440)</u> |
| | | <u>193,592</u> | <u>1,484,896</u> |
| Final dividend | b | 1,039,690 | 2,400,504 |
| Less: dividend for shares held under the Company's share award scheme | | <u>(72,150)</u> | <u>(173,160)</u> |
| | | <u>967,540</u> | <u>2,227,344</u> |
| Dividends declared and paid | | 1,161,132 | 3,712,240 |
| Proposed final dividend | c | <u>3,744,396</u> | <u>1,002,210</u> |
| | | <u><u>4,905,528</u></u> | <u><u>4,714,450</u></u> |

Notes:

- (a) At a meeting held on 8 August 2024, the Board declared an interim dividend of HK0.10 cents (2023: HK0.80 cent) per share for the six months ended 30 June 2024, which was paid on 13 September 2024.
- (b) The final dividend for the year ended 31 December 2023 was approved at the annual general meeting of the Company held on 30 May 2024 and paid on 26 June 2024.
- (c) A final dividend of HK1.80 cents (2023: HK0.50 cent) per share for the year ended 31 December 2024 was recommended by the Board and subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic loss per share

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 191,404,699 (2023: 185,631,803) in issue during the year which is after deducting the number of ordinary shares purchased under the share award scheme.

(b) Diluted loss per share

The calculation of the diluted loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

12. ACCOUNTS RECEIVABLE

| | <i>Note</i> | 2024 HK\$ | 2023 <i>HK\$</i> |
|--------------------------------|-------------|----------------------------|---------------------|
| Margin client receivables | a | 195,798,257 | 139,380,062 |
| Cash client receivables | b | 59,400,366 | 53,145,479 |
| | | 255,198,623 | 192,525,541 |
| Less: Allowance for ECLs | | (38,343,642) | (40,805,372) |
| | | 216,854,981 | 151,720,169 |
| Clearing house receivables | c | 23,046,645 | 2,098,077 |
| Broker receivables | d | 168,903,428 | 33,286,108 |
| Placing commission receivables | e | 25,000 | 490,628 |
| Fee receivables | e | 1,956,523 | 2,148,344 |
| | | 193,931,596 | 38,023,157 |
| Total accounts receivable | | 410,786,577 | 189,743,326 |

Notes:

(a) Margin client receivables

At 31 December 2024, the Group held securities (excluding bonds) with an aggregate fair value of HK\$714,745,654 (2023: HK\$649,428,536) and bonds with an aggregate fair value of HK\$5,411,140 (2023: HK\$6,414,416) as collateral over net margin client receivables. All margin client receivables are repayable on demand and bear interest at commercial rates. The collateral held can be sold at the Group's discretion to settle any outstanding amount owned by margin clients.

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

Management assessed the fair value of the securities held by the Group on behalf of each individual client who had shortfall and a provision for ECL of HK\$36,625,705 was made as at 31 December 2024 (2023: provision for ECL of HK\$39,337,758).

(b) Cash client receivables

All cash client receivables bear interest at commercial rates. The settlement terms of receivables arising from the ordinary course of business of dealing in securities from cash clients and clearing houses are within two days after the trade date.

The ageing analysis of cash client receivables at the end of each reporting period, based on the due date and before net of credit loss allowance, is as follows:

| | 2024 | 2023 |
|---|-------------------|------------|
| | HK\$ | HK\$ |
| Cash client receivables | | |
| Current | 55,883,122 | 46,010,738 |
| Past due | | |
| – Over 2 days but less than 1 month | 635,737 | 636,193 |
| – Over 1 month but less than 3 months | 312,753 | 28,451 |
| – Over 3 months but less than 12 months | 281,907 | 229,416 |
| – Over 1 year | 2,286,847 | 6,240,681 |
| | 59,400,366 | 53,145,479 |

Management assessed the fair value of the securities held by the Group on behalf of each individual client who had shortfall classified as stage 3 and a provision for ECL of HK\$339,507 was made as at 31 December 2024 (2023: provision for ECL of HK\$1,436,481).

(c) Clearing house receivables

The ageing analysis of clearing house receivables at the end of each reporting period, based on due date and before credit loss allowance, is as follows:

| | 2024 | 2023 |
|----------------------------|-------------------|-----------|
| | HK\$ | HK\$ |
| Clearing house receivables | | |
| Current | 23,046,645 | 2,098,077 |

As at 31 December 2024, included in receivables from clearing houses was a net receivable from HKSCC of HK\$23,046,645 (2023: HK\$2,098,077), with a legally enforceable right to set off the corresponding receivable and payable balances.

(d) **Broker receivables**

Broker receivables arise from the business dealing in securities related to unsettled trades and balances placed with the brokers. The ageing of broker receivables on the trade date is within one month.

(e) **Receivables from other major service lines**

Placing commission receivables and fee receivables are neither past due nor impaired. The ageing of these receivables based on the trade date is within one month.

13. ACCOUNTS PAYABLE

| | 2024 | 2023 |
|---------------------------------|--------------------|-------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| Margin and cash client payables | 157,397,804 | 28,237,732 |
| Due to clearing houses | 3,492,359 | 1,472,243 |
| Broker payables | – | 76,893 |
| Insurer payables | 127,832 | 27,887 |
| | 161,017,995 | 29,814,755 |

The settlement terms of accounts payable arising from client businesses are normally two to three days after the trade date or at specific terms agreed with a clearing house. The majority of the accounts payable to margin and cash clients are repayable on demand except where certain balances represent trades pending settlement or margin deposits and cash collateral received from clients for their trading activities under the normal course of business. Only the amounts in excess of the required margin deposits and cash collateral are repayable on demand.

No ageing analysis is disclosed for accounts payable as in the opinion of the Directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

As at 31 December 2024, included in amounts payable to clearing houses was a net payable to HKSCC of HK\$3,492,359 (2023: HK\$1,472,243) with a legally enforceable right to set off the corresponding receivable and payable balances.

The broker payables and insurer payables are non-interest-bearing and have an average settlement term of one month.

14. SHARE CAPITAL

Shares

Authorised shares

As at 31 December 2024, the total number of authorised ordinary shares was 2,000,000,000 (2023: 2,000,000,000) with a par value of HK\$0.01 per share (2023: HK\$0.01 per share).

Issued and fully paid

| | 2024 HK\$ | 2023 HK\$ |
|---|------------------|------------------|
| Issued and fully paid: | | |
| 208,022,000 (2023: 200,366,000) ordinary shares | <u>2,080,218</u> | <u>2,003,658</u> |

A summary of movements in the Company's share capital is as follows:

| | <i>Note</i> | Number of shares in issue | Share capital HK\$ |
|---|-------------|------------------------------|--------------------------|
| As at 1 January 2023 | | 200,042,000 | 2,000,418 |
| Share options exercised | a | <u>324,000</u> | <u>3,240</u> |
| As at 31 December 2023 and 1 January 2024 | | 200,366,000 | 2,003,658 |
| Share options exercised | a | 456,000 | 4,560 |
| Allotment and issue of subscription shares | b | 7,200,000 | 72,000 |
| As at 31 December 2024 | | <u>208,022,000</u> | <u>2,080,218</u> |

Notes:

- (a) The subscription rights attaching to 456,000 (31 December 2023: 324,000) share options were exercised at the subscription price of HK\$2.29 per share, resulting in the issue of 456,000 (31 December 2023: 324,000) shares for a total cash consideration, before expenses, of HK\$1,044,240 (31 December 2023: HK\$741,960). No share option reserve was transferred to share capital upon exercise of the share options.
- (b) The subscription shares were allotted and issued at the subscription price, resulting in the issue of 7,200,000 shares for a total cash consideration, before expenses, of HK\$17,760,000.
- (c) During the year ended 31 December 2024, total number of shares included 14,430,000 (2023: 14,430,000) shares were held by the trustee under Share Award Scheme.

15. COMPARATIVE AMOUNTS

Certain comparatives to the consolidated financial statements have been reclassified to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a well-established integrated financial services provider in Hong Kong for over five decades, providing a wide range of securities broking and related financial services to our clients including (i) securities/futures/insurance policies broking, placing and underwriting services and advising on securities services; (ii) financing services; (iii) asset management services; (iv) financial advisory services; and (v) investment consultancy services. The core strength of the Group lies in its robust business model, with diverse businesses to withstand increasingly complex market conditions.

The Group is also engaged in the provision of (i) virtual asset dealing services under an omnibus account arrangement; (ii) virtual asset dealing services by way of introducing eligible clients to licensed virtual asset platforms for direct trading; (iii) market and distribute of virtual asset-related private funds to eligible clients; (iv) securities brokerage services to eligible clients with respect to virtual asset-related exchange traded funds (including exchange-traded virtual asset derivative funds); and (v) virtual asset advisory services with licensing conditions imposed on the license of the subsidiary.

The Group can also manage portfolios that invest in virtual assets, subject to compliance with the SFC's "Proforma Terms and Conditions for Licensed Corporations which Manage Portfolios that Invest in Virtual Assets".

Update on business development

Save as disclosed in the section headed "Update on business development" in the "Management Discussion and Analysis" of the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the period ended 30 June 2024, there is no further update on the business development during the year ended 31 December 2024 and up to the date of this announcement.

Introduction to business sectors

(1) Securities/futures/insurance policies broking services, placing and underwriting services and advising on securities services

Brokerage services

The Group has engaged in brokerage services in Hong Kong over the last five decades. Notwithstanding intensified competition from new players, the Group managed to retain customer loyalty through delivering excellent service. Income from securities broking services is primarily derived from the provision of brokerage services to clients to trade securities listed on the Stock Exchange and eligible securities traded through the securities trading and clearing linked program developed by the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation. The Group also enables clients to trade securities listed on exchanges in Australia, Canada, Europe, Japan, Singapore, the United Kingdom, the United States (“US”) and B shares in the PRC by providing access to trading systems operated by external brokers licensed in their respective jurisdictions.

The Group also commenced the provision of futures brokerage services to clients mainly on trading index futures in the Stock Exchange and the US market since year 2020.

Revenue generated from securities/futures/insurance policies broking services accounted for approximately 18.5% and 27.2% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

Placing and underwriting services

The Group provides placing and underwriting services for equity or debt securities issued by listed companies in Hong Kong. The Group is generally engaged by listed issuers as a placing agent or underwriter. The commission rates are subject to negotiation on a case-by-case basis with the listed issuer and are generally determined with reference to, among other matters, the type of equity or debt securities offered, fund raising size, market condition and prevailing market commission rate. Depending on the terms of a particular placing or underwriting document, the placing or underwriting activities can either be on a fully underwritten basis or a best effort basis.

Revenue generated from placing and underwriting services accounted for approximately 5.6% and 2.9% of the total revenue for the years ended 31 December 2024 and 2023, respectively. The Group provides all-rounded financial services to clients and aims to turn placing and underwriting services into one of the major income streams of the Group in the near future.

Advising on securities services

The Group also provides services of advising on investment activities, which involve providing research reports or analysis on securities and investment proposals to target audiences. Revenue generated from advising on securities accounted for nil and approximately 1.5% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

Others

The Group also derives (i) handling fee income arising from the services such as scrip handling services, settlement services, account servicing, corporate-action-related services and certain other miscellaneous services; and (ii) interest income from the deposits, which accounted for approximately 23.5% and 16.8% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

(2) *Financing services*

The Group continued to solidify its customer base by enhancing its marketing capabilities and optimising loan service processes. Generally, the Group provides credit facilities to clients who wish to purchase securities on the Stock Exchange or make applications for initial public offering (“**IPO**”) on a margin basis. The Group also provides trading facilities to clients and generate interest income from cash account clients on their overdue debit balance. For the years ended 31 December 2024 and 2023, approximately 23.2% and 36.1% of the total revenue was derived from financing services, respectively.

Financing services represented a stable income stream for the Group, and the demand for financing services depends on investors’ demand to leverage their investments return by financing. The Group aims to develop a niche in the loan market that can better meets investors’ financing needs, providing corporate and retail clients with tailored liquidity solutions to meet their investment objectives. The Group expects the revenue from this segment will continue to provide the Group with a stable income stream and help the Group to maintain a steady stream of cash flow. On the other hand, the Group will review the limits and controls on margin loans to ensure that the Group can monitor and control the potential risks associated with any expansion of the business sector.

(3) *Asset management services*

The Group offers asset management services on a discretionary basis to high net worth clients who would like the Group to manage their portfolios on their behalf. The Group manages discretionary accounts and derives management fees and/or performance fees from the asset management services, which accounted for approximately 9.2% and 13.2% of the Group’s total revenue for the years ended 31 December 2024 and 2023, respectively.

The performance of this business segment was adversely affected by the market sentiment, especially since the fourth quarter of year 2021. However, the Group is expanding its asset management services sector by setting up private funds in the PRC, Singapore and Japan. With enhanced research capabilities and experienced personnel and the revenue for this segment is expected to respond positively.

(4) *Financial advisory services*

The Group successfully obtained the Type 6 License in August 2019. Advisory fees will be charged based on the type and size of the transactions, duration of the engagement, the complexity of the transaction and the expected manpower requirements.

The Group aims to focus on services such as advice on mergers and acquisitions transactions and independent financial advisory services to listed companies, and also provide financial advisory services to companies that aim to be listed in the Stock Exchange. Revenue generated from financial advisory services accounted for approximately 0.9% and 0.4% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

(5) *Investment consultancy services*

Investment consultancy services aim to better cater to the needs of high net worth individuals, who have tremendous demand in wealth management services in order to better allocate their asset portfolio and diversify investment risks. These high net worth individuals look for quality wealth management services to realise their wealth management goals and demand wealth management services with tailored professional advice and a sophisticated asset allocation system to diversify their investment risk. The experienced and professional staff from the Group will be able to provide progressive, pragmatic and quality wealth management plans with regular analysis of market trends, along with flexible wealth management solutions to help clients to broaden their investment horizons.

(6) *Virtual asset dealing and related services*

In year 2023, Victory Securities (HK), an indirect wholly owned subsidiary of the Company, became the first licensed entity in Hong Kong to hold virtual asset trading, advisory, and asset management service licenses issued by the Securities and Futures Commission. Meanwhile, a research and development team were established and substantial investment are made to create its own APP – VictoryX.

Below are some of the highlights of the Group's virtual asset business:

- The first and only virtual asset full license broker. The Group also provide virtual asset transactions, virtual asset consulting, and virtual asset fund management.
- The first broker that provide in-kind subscription for virtual asset spot ETF

- The first to launch a virtual asset trading APP
- The first company to launch the stock and currency integration app VictoryX (Chinese name: 勝利通) with T+0 simultaneous stock and cryptocurrency trading
- One of the few platforms to offer US Bitcoin spot ETF trading
- The first Bitcoin fund to accept stablecoin subscriptions
- Published the first report on virtual asset in Hong Kong

The Group is committed to becoming a bridge between traditional finance and Web3, which is regularly providing offline educational activities and aim to becoming an entry-level choice for many investors. Revenue generated from virtual asset dealing and related services accounted for approximately 19.1% and 1.9% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

BUSINESS REVIEW, OUTLOOK AND PROSPECTS

The economies of Hong Kong and People’s Republic of China (“**PRC**”) are still facing great challenges in year 2024. Economic recovery is still in a slow pace and different investors tend to be more prudent in making investment decisions. The unfavourable investment sentiment and the volatility in the local and global financial markets have exerted pressure on the Group’s operations.

The Group continues to play an active role in participating in other financial transactions in the market in order to further develop and strengthen its market position as an integrated financial services provider. The Group has allocated adequate resources to its asset management segment to expand the scale of this segment and to attract funds from different sources, and this can be reflected by the licenses granted by respective authority in Japan to provide asset management services near the end of the year 2023. The Group is confident that the asset management segment will play a vital role in the Group’s future development and growth with the asset management license in Japan, as well as the asset management license obtained in Singapore and PRC in year 2022.

The Group will also continue to explore potential opportunities in the financial advisory services segment. It is currently discussing to undertake potential new projects. The performance for this sector will much depends on several external factors such as the performance of the financial and capital markets in Hong Kong and PRC, and also the demand for such services from potential clients.

Despite the competitive and volatile operating environment in the securities industry, the Group will continue to pursue long-term business and profitability growth in line with its corporate mission and goals. The Group will continue to adopt prudent capital management and liquidity risk management to preserve adequate buffer to meet the challenges ahead. The Group will continue to review and evaluate the business objectives and strategies and make timely execution by taking into account the relevant business risks and market uncertainties.

In general, Hong Kong's economic outlook in year 2025 may still be affected by certain global and domestic factors. This has brought volatility and challenges to the various stock markets due to adverse market and investment sentiment, but up to the date of this announcement, the foregoing had not had a material adverse impact on the Group. However, the medium to long term financial and operating performance of the Group depends on the recovery of the local and global financial markets, especially the markets in Hong Kong and PRC. The Company will closely monitor the situation and assess its impact on the Group's financial position and operating results.

Overview of the virtual asset business segment

The Group has invested in virtual asset segment and has made significant progress in this sector, which the Group believes will be more significant and important in the financial sectors following the introduction of different rules and regulations governing the operation of virtual asset by SFC or other regulatory bodies. Upon obtaining permission from the SFC to provide asset management services in respect of virtual asset, the Group became the first and only financial group in Hong Kong to obtain consent from SFC to provide trading, advisory, and asset management services related to virtual asset simultaneously. The Group believes that virtual assets are an emerging business that will provide clients with more diversified investment options and can offer vitality to the traditional Hong Kong financial market. This enables the Group to provide more diversified services to its clients, which is in line with the strategy of the Group, and will have a positive impact on the future development of the Group by creating new revenue sources as well as industry knowledge from expertise on virtual asset.

The Group has established its own research and development team, and launched its first securities and virtual asset trading app in Hong Kong – VictoryX, the first licensed corporation in Hong Kong to offer a single app for asset allocation on securities and virtual asset at the same time. The Group is the first broker-dealer in Hong Kong to be authorized by the SFC to provide token-in-token-out to retail clients. At the end of year 2023, Victory was approved by the SFC to provide retail investors with virtual asset trading, distribution of virtual asset related products and consulting services, and now retail investors can freely trade investment products in various markets, including virtual asset, Hong Kong stock and U.S. stock markets, etc., and trade virtual asset at their doorsteps through one platform.

The Group hopes to lead investors from the Web 2.0 traditional financial services, through its simple operation process to easily allocate Web 3.0 assets. Both the mobile app and desktop trading system have been fully upgraded to provide trading services in major markets such as virtual asset, Hong Kong stocks, US stocks, etc., and will soon be expanded to include China Connect and Global Stock Markets, to assist clients capture market opportunities and global asset allocation seamlessly and in real time.

The virtual asset segment represented a new business segment and new source of revenue of the Group, and has become a vital part on the Group's operation, in which revenue generated and the number of new clients from this segment has been gradually increasing since the second quarter of year 2024, and the number of active virtual asset clients has reached 1,810 as at 31 December 2024. The Group believes following the increase in knowledge of investors on the virtual asset segment, and also the continuous improvement on the respective regulations from the SFC and the Hong Kong Government, the proportion of revenue from the virtual asset segment to total revenue will continue to increase.

Victory Fintech Company Limited, an associate of the Group, is applying for the respective licenses from the SFC to specialize in the development of virtual asset exchange platform with a view to develop a comprehensive ecological layout for the Web3 industry for retail investors, professional investors and enterprises. It is expected that upon the successful grant of the respective licenses to operate virtual asset exchange platform, the Group will be able to provide a full spectrum of services on the virtual asset segment which will be able to target at different levels of investors.

FINANCIAL REVIEW

Revenue

The revenue of the Group's core business sectors for the years ended 31 December 2024 and 2023 are summarized as below:

| | For the year ended 31 December | | | |
|---|-----------------------------------|----------------------|----------------------|--------------------|
| | 2024 | 2023 | Differences | Change |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>%</i> |
| Securities/futures broking services, placing and underwriting services and advising on securities services | 35,243 | 24,836 | 10,407 | 41.9 |
| Virtual asset dealing and related services | 14,307 | 1,030 | 13,277 | 1,289.0 |
| Financing services | 17,404 | 19,860 | (2,456) | (12.4) |
| Asset management services | 8,229 | 7,460 | 769 | 10.3 |
| Financial advisory services | 645 | 205 | 440 | 214.6 |
| Insurance brokerage services | 505 | 1,776 | (1,271) | (71.6) |
| Losses on guaranteed contracts | (1,369) | (201) | (1,168) | 581.1 |
| Total | <u>74,964</u> | <u>54,966</u> | <u>19,998</u> | <u>36.4</u> |

(1) *Securities/futures broking services, placing and underwriting services and advising on securities services*

Securities services comprise mainly brokerage services, placing and underwriting services and advising on securities services. The table below sets out a breakdown of the revenue from securities services during the years ended 31 December 2024 and 2023:

| | For the year ended | | Differences | Change |
|-----------------------------------|--------------------|---------------|---------------|-------------|
| | 2024 | 2023 | | |
| | HK\$'000 | HK\$'000 | HK\$'000 | % |
| Brokerage services | 13,365 | 13,183 | 182 | 1.4 |
| Placing and underwriting services | 4,260 | 1,582 | 2,678 | 169.3 |
| Advising on securities services | – | 837 | (837) | (100.0) |
| Others | 17,618 | 9,234 | 8,384 | 90.8 |
| Total | <u>35,243</u> | <u>24,836</u> | <u>10,407</u> | <u>41.9</u> |

(a) *Securities/futures brokerage services*

For the year ended 31 December 2024, the Group recorded a revenue of approximately HK\$13.37 million from the brokerage services, representing an increase of approximately 1.4% as compared to the revenue of approximately HK\$13.18 million for the year ended 31 December 2023. This was mainly due to an increase in brokerage income derived from the Hong Kong stock market, in which the total turnover of the Hong Kong stock market increased from approximately HK\$25,517.99 billion for the year ended 31 December 2023 to approximately HK\$30,900.50 billion for the year ended 31 December 2024, representing an increase of approximately 21.1%.

(b) *Placing and underwriting services*

For the year ended 31 December 2024, the Group recorded a revenue of approximately HK\$4.26 million from the placing and underwriting services, representing an increase of approximately 169.3% as compared to the revenue of approximately HK\$1.58 million for the year ended 31 December 2023. This was mainly due to the Group's effort in looking for business opportunities in the equity capital market during the year ended 31 December 2024.

(c) *Advising on securities services*

For the year ended 31 December 2024, the Group recorded revenue of nil from advising on securities services, as compared to the revenue of HK\$0.84 million for the year ended 31 December 2023. Revenue from this sector was derived from providing research reports and analysis and the performance of this sector is also be directly related to the market sentiment.

(d) *Others*

Other services mainly represented (i) handling fee income arising from the services such as IPO subscription, scrip handling services, settlement services, account servicing, corporate-action-related services and certain other miscellaneous services; (ii) interest income from deposits; and (iii) employees' share option scheme income. For the year ended 31 December 2024, the Group recorded a revenue from other services of approximately HK\$17.62 million, representing an increase of approximately 90.8% as compared to the revenue of approximately HK\$9.23 million for the year ended 31 December 2023. The increase of revenue from such other services was mainly due to an increase in interest income from authorised institutions.

(2) *Virtual asset dealing and related services*

Virtual asset dealing and related services comprise mainly virtual asset brokerage services and custodian of virtual asset. The table below sets out a breakdown of the revenue from virtual asset dealing and related services during the years ended 31 December 2024 and 2023:

| | For the year ended | | | |
|-------------------------------------|--------------------|--------------|---------------|----------------|
| | 31 December | | | |
| | 2024 | 2023 | Differences | Change |
| | HK\$'000 | HK\$'000 | HK\$'000 | % |
| Virtual asset brokerage services | 11,261 | 789 | 10,472 | 1,327.2 |
| Custodian of virtual asset services | 3,046 | 241 | 2,805 | 1,163.9 |
| Total | <u>14,307</u> | <u>1,030</u> | <u>13,277</u> | <u>1,289.0</u> |

For the year months ended 31 December 2024, the Group recorded revenue of HK\$14.31 million from virtual asset dealing and related services, representing an increase of approximately 1,289.0% as when compared to the revenue of HK\$1.03 million for the year ended 31 December 2023. This is a new business sector which commenced operations since the fourth quarter of year 2023.

(3) *Financing services*

For the year ended 31 December 2024, the Group recorded interest income of approximately HK\$17.40 million from financing services, representing a decrease of approximately 12.4% as compared to the revenue of approximately HK\$19.86 million for the year ended 31 December 2023. This was mainly due to the decrease in the overall margin loan to clients due to unfavourable market condition which investors tend to be more conservative.

(4) *Asset management services*

For the year ended 31 December 2024, the Group recorded a revenue of approximately HK\$8.23 million from asset management services, representing an increase of approximately 10.3% as compared to the revenue of approximately HK\$7.46 million for the year ended 31 December 2023. This was mainly due to increase in revenue from new customers when compared to the year ended 31 December 2023. Also, due to the adverse market conditions during the year ended 31 December 2024, it resulted in losses on derivative financial instruments, in which the Group entered into loss protection discretionary account management agreements with customers for asset management services, of approximately HK\$1.37 million (for the year ended 31 December 2023: HK\$0.20 million).

(5) *Financial advisory services*

For the year ended 31 December 2024, the Group recorded revenue of HK\$0.65 million from the financial advisory services, representing an increase of approximately 214.6% as compared to the revenue of approximately HK\$0.21 million for the year ended 31 December 2023. The Group will continue to explore potential opportunities in the financial advisory services segment, which much depends on the economy recovery and investment sentiment in the PRC.

(6) *Insurance consultancy services*

For the year ended 31 December 2024, the Group recorded revenue of approximately HK\$0.51 million from insurance consultancy services, representing a decrease of approximately 71.6% as compared to the revenue of approximately HK\$1.78 million for the year ended 31 December 2023. Approximately 95% of the Group's insurance consultancy services revenue is generated from long-term insurance plans and the decrease in revenue was mainly due to the decrease in premium size per client.

Other income and gains, net

Other income and gains, net was approximately HK\$2.69 million for the year ended 31 December 2024, representing an increase of approximately 100.6% as compared to the amount of approximately HK\$1.34 million for the year ended 31 December 2023. Such increase was mainly due to the increase in fair value gains on financial assets at fair value through profit or loss and other investments of approximately HK\$3.39 million when compared to the year ended 31 December 2023.

Commission expenses

The following is the breakdown on commission expenses:

| | For the year ended | | | |
|--|--------------------|--------------|--------------|--------------|
| | 31 December | | | |
| | 2024 | 2023 | Differences | Change |
| | HK\$'000 | HK\$'000 | HK\$'000 | % |
| Commission for securities brokerage services | 4,649 | 3,062 | 1,587 | 51.8 |
| Commission for virtual asset dealing services | 4,448 | 379 | 4,069 | 1,073.6 |
| Commission for insurance consultancy services | 340 | 1,247 | (907) | (72.7) |
| Total | <u>9,437</u> | <u>4,688</u> | <u>4,749</u> | <u>101.3</u> |

Commission expenses for the year ended 31 December 2024 was approximately HK\$9.44 million, representing an increase of approximately 101.3% as compared to the commission expenses of approximately HK\$4.69 million for the year ended 31 December 2023, which in line with the increase in revenue from securities/futures brokerage services and virtual asset dealing services.

Other operating expenses

Other operating expenses mainly comprised (i) exchange and clearing fee; (ii) information services expenses; (iii) legal, consultancy and professional fee; (iv) staff welfare, marketing and entertainment expenses; and (v) insurance expenses, which accounted for approximately 51.2% (2023: 48.1%) of the total other operating expenses. Other operating expenses for the year ended 31 December 2024 was approximately HK\$22.63 million, representing a decrease of approximately 19.6% as compared to the other operating expenses of approximately HK\$28.14 million for the year ended 31 December 2023, mainly due to decrease in once off discretionary payment to asset management clients of approximately HK\$8.91 million, as well as decrease in once off marketing expenses of approximately HK\$1.44 million.

Loss for the year

Loss for the year ended 31 December 2024 was approximately HK\$2.32 million, representing a decrease of approximately 90.7% as compared to the loss of approximately HK\$25.08 million for the year ended 31 December 2023 mainly due to the increase in revenue of the Group for the year ended 31 December 2024, especially from the virtual asset dealing and related services, as well as the decrease in other operating expenses and charge for allowance for expected credit losses on accounts receivable, net. However, the effect was partly offset by the increase in staff costs for the enhancement of the IT infrastructure.

It was also noted that the profit for the year ended 31 December 2024 from Victory Securities (HK), the major operating subsidiary of the Group, was approximately HK\$6.34 million, representing a substantial decrease of approximately 138.3% as compared to the loss of approximately HK\$16.57 million for the year ended 31 December 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has in place a liquidity risk management system to identify, measure, monitor and control potential liquidity risk and to maintain our liquidity and financial resources requirements as specified under applicable laws and regulations, such as the Financial Resources Rules. The Group has established a multi-tiers authorization mechanism and internal policies and procedures for the management and approval on the use and allocation of capital. We have authorization limits in place for any commitment or fund outlay, such as procurement, investments, loans, etc., and we assess the impact of those transactions on the capital level. The Group meets its funding requirements primarily through bank borrowings from multiple banks. We have also adopted stringent liquidity management measures to ensure we satisfy capital requirements under the applicable laws. We have established limits and controls on margin loans and money lending loans on an aggregate and individual loan basis.

During the year ended 31 December 2024, the Group financed its operations by cash flow from operating activities and bank borrowings. The Group was operating in a net cash outflow position for the year ended 31 December 2024, in which net cash used in operating activities amounted to approximately HK\$81.90 million (for the year ended 31 December 2023: net cash from operating activities amounted to approximately HK\$38.03 million), which was due to increase in margin and cash clients' receivables as at 31 December 2024. As at 31 December 2024, aggregate of bank and cash balances of the Group amounted to approximately HK\$16.96 million (as at 31 December 2023: approximately HK\$23.67 million), which were substantially denominated in Hong Kong dollar, Renminbi and US dollar ("US\$").

As at 31 December 2024, the Group's current assets and current liabilities were approximately HK\$457.93 million (as at 31 December 2023: approximately HK\$230.88 million) and approximately HK\$341.62 million (as at 31 December 2023: approximately HK\$135.18 million), respectively. As at 31 December 2024, the current ratio, being the ratio of current assets to current liabilities, was approximately 1.34 times (as at 31 December 2023: approximately 1.71 times).

As at 31 December 2024, the bank and other borrowings and bonds issued of the Group were approximately HK\$166.69 million (as at 31 December 2023: approximately HK\$93.88 million). The size of the secured bank borrowings depends primarily on the increase in clients' demand on our Group's financing services which in turns affect our demand for short-term bank loans. These borrowings are secured by clients' securities and securities held by the Group, an unlisted investment, a time deposit, leasehold land and buildings and the investment property of the Group, and by corporate guarantees from the Company. The interest rate of our secured borrowings as at 31 December 2024 and 31 December 2023 ranged from one-week Hong Kong Interbank Offered Rate plus 2.25% for revolving term loans, and at Hong Kong Prime Rate/Hong Kong Prime Rate plus 0.5% per annum for overdrafts. All bank loans have maturity within one month and were all denominated in Hong Kong dollars ("HK\$"). The Group's gearing ratio (measured as total bank borrowings over total assets) as at 31 December 2024 was approximately 32.1% (as at 31 December 2023: approximately 31.2%), increased in the Group's gearing ratio was mainly due to the increase in margin financing which in turns resulted in increase in bank and other borrowings as at 31 December 2024.

The Group's investments are mainly financial assets at fair value through profit or loss and investments in cryptocurrencies. As at 31 December 2024, the market value of which were approximately HK\$13.86 million (as at 31 December 2023: approximately HK\$5.89 million) and are mainly equity securities listed in Hong Kong, as well as cryptocurrencies held by a fund controlled by the Group.

The capital of the Group comprises ordinary shares as at 31 December 2024 and 31 December 2023. As at 31 December 2024, total equity attributable to owners of the Company amounted to approximately HK\$172.55 million (as at 31 December 2023: approximately HK\$163.01 million).

PLEDGE OF ASSETS

As at 31 December 2024 and 31 December 2023, bank loans secured by clients' securities and securities held by the Group amounting to approximately HK\$174.92 million and HK\$71.50 million, respectively, an unlisted investment held by the Group amounting to approximately HK\$4.36 million and HK\$4.22 million as at 31 December 2024 and 31 December 2023, respectively, a time deposit held by the Group amounting to approximately HK\$4.40 million and HK\$4.21 million as at 31 December 2024 and 31 December 2023, respectively, and leasehold land and buildings and the investment property of the Group with an aggregate carrying value amounting to HK\$46.20 million and HK\$55.68 million as at 31 December 2024 and 31 December 2023, respectively.

FOREIGN EXCHANGE EXPOSURE

The revenue and business costs of the Group were principally denominated in HK\$, while the Group have assets and liabilities denominated in Renminbi and the US\$ which may expose to foreign exchange risk. The Group currently does not have a foreign currency hedging policy, however, the management monitors foreign exchange exposure and has measures to reduce assets denominated in foreign currencies, therefore the Group expects the foreign exchange exposure can be reduced. The Group will also consider hedging significant foreign currency exposure should the needs arise.

CAPITAL AND OTHER COMMITMENTS

Save as the lease commitment for various items of office premises used in its operations, the Group had no other commitments as at 31 December 2024 and 2023.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2024 and 2023.

USE OF PROCEEDS FROM THE SUBSCRIPTION FOR SHARES OF THE COMPANY UNDER GENERAL MANDATE (THE “SUBSCRIPTION”)

On 25 March 2024, the Company and four subscribers entered into four subscription agreements, pursuant to which:

- (1) under one of the subscription agreements, the Company has conditionally agreed to allot and issue, and one of the subscribers has conditionally agreed to subscribe for (a) 3,600,000 shares of the Company (the “**Share(s)**”) with lock-up period of 1 year from the date of completion of the Subscription, at the subscription price of HK\$2.30 per Share; and (b) 2,400,000 Shares without lock-up period at the subscription price of HK\$2.80 per Share; and
- (2) under the remaining subscription agreements (other than the one as mentioned in (1) above), the Company has conditionally agreed to allot and issue, and each of the subscribers (other than the one as mentioned in (1) above), have conditionally agreed to subscribe for a total of 1,200,000 Shares with lock-up period of 1 year from the date of completion of the Subscription, at the subscription price of HK\$2.30 per Share.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the subscribers and the ultimate beneficial owners of the subscribers are independent third parties to the Company and its connected person pursuant to the GEM Listing Rules.

The Subscription was completed on 15 April 2024. The Company has raised net proceeds of approximately HK\$17.70 million from the subscription of 7,200,000 new Shares. The net price per subscription Share was approximately HK\$2.46. The closing price was HK\$2.84 per share as quoted on the Stock Exchange on the date of the subscription agreements.

The subscription prices for different subscribers were determined through arm's length negotiations conducted by the Company with each of the subscribers on an independent basis, taking into account the trading prices of the Shares, the funding needs, financial position and prospects of the Company, as well as the lock-up requirement and if any, the duration thereof, applicable to the subscription Shares.

After rounds of negotiations concerning the terms of the Subscription, in particular the subscription prices and the lock-up requirement between the Company and subscriber as mentioned in (1) above, the subscriber agreed to subscribe for 40% of the Shares at a higher price (that is, at HK\$2.80 per Share). In exchange, the lock-up requirement for this portion of the Shares was waived.

Taking into account the above, the Directors consider that the subscription prices agreed with different subscribers, as well as the terms of the Subscription are fair and reasonable in light of the prevailing market conditions, the recent price performance and liquidity of the Shares and that the Subscription is in the interest of the Company and the Shareholders as a whole.

As at 31 December 2024, the net proceeds from the Subscription of approximately HK\$17.70 million have been fully utilized according to the intentions disclosed by the Group, out of which (i) approximately HK\$6.20 million were used to enhance the IT infrastructure of the Group; and (ii) approximately HK\$11.50 million were used as the general working capital of the Group.

Details of the Subscription are set out in the Company's announcement dated 25 March 2024 and 15 April 2024.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND SIGNIFICANT INVESTMENTS

Save as disclosed in the "Update on business development" as set out in the "Business Review" section of this announcement, there was no other material acquisition or disposal of subsidiaries and affiliated companies and significant investments held by the Group during the year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this announcement, there were no significant events relevant to the business or financial performance of the Group that come to the attention of the Directors after the reporting period.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 65 full-time employees (as at 31 December 2023: 50), including all executive and non-executive directors but excluding independent non-executive directors. During the year ended 31 December 2024, the total employees' cost (including directors' emoluments and retirement benefit scheme contribution) was approximately HK\$39.03 million (for the year ended 31 December 2023: approximately HK\$32.15 million).

Remuneration packages of the employees are determined by reference to the qualifications and experience of the employee concerned and are reviewed annually by the management with reference to market conditions and individual performance. The Group offers a comprehensive and competitive remuneration, retirement scheme and benefit package to its employees. Discretionary bonus is offered to the Group's staff depending on their performance. To provide incentive to the eligible participants (including directors and employees), the remuneration package has been extended to include share options under the share option scheme.

The Group encourages and subsidizes employees at different job grades to enroll and/or participate in development or training courses in support of their career and professional development. The Group also provides in-house training courses on a monthly basis for the personal development of the employees.

The Group has adopted a scheme under Occupational Retirement Schemes Ordinance for eligible employees, and also a mandatory provident fund scheme as required under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) for its employees in Hong Kong.

FINAL DIVIDEND AND ANNUAL GENERAL MEETING

The Board recommended the payment of a final dividend of HK1.80 cents per share for the year ended 31 December 2024 (for the year ended 31 December 2023: HK0.50 cents per share), amounting to approximately HK\$3,744,396 to those Shareholders whose names appear on the register of members at the close of business on Thursday, 12 June 2025, subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on Thursday, 5 June 2025 (“**2025 AGM**”). It is expected that the final dividend will be paid on or about Thursday, 3 July 2025, if approved.

CLOSURE OF REGISTER OF MEMBERS

To be eligible to attend and vote at the 2025 AGM

The register of members of the Company will be closed from Friday, 30 May 2025 to Thursday, 5 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 29 May 2025.

To qualify the proposed final dividend

The register of members of the Company will also be closed from Friday, 13 June 2025 to Tuesday, 17 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 12 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance practices within the Group and complying with regulatory requirements, to securing and inspiring confidence of shareholders of the Company (the "**Shareholders**") as well as potential investors.

The Company's corporate governance practices follow the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 of the GEM Listing Rules. For the year ended 31 December 2024, to the best knowledge of the Board, the Company has fully complied with all the code provisions set out in the CG Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code. The Audit Committee currently comprises a non-executive Director and two independent non-executive Directors, namely Mr. Chan Ying Kit, Mr. Ying Wing Ho Peter and Dr. Yan Ka Shing, respectively. The chairman of the Audit Committee is Mr. Ying Wing Ho Peter.

The Audit Committee has met with the external auditors of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this announcement of annual results of the Group for the year ended 31 December 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Required Standard of Dealings during the year ended 31 December 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S 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.

COMPETING INTERESTS

None of the Directors or the controlling Shareholders nor their respective close associates (as defined in the GEM Listing Rules) had any interest in business that competed or might compete with business of the Group during the year ended 31 December 2024.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Company's auditors, McMillan Woods (Hong Kong) CPA Limited, in respect of the Group's draft consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position, and the related notes for the year ended 31 December 2024. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and that of the Company (www.victorysec.com.hk). The annual report of the Group for the year ended 31 December 2024 containing all the information required by the GEM Listing Rules will be despatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2024. Certain financial information in this announcement is extracted from the statutory financial statements for the year ended 31 December 2024, which will be available in the websites of the Stock Exchange and the Company on or before the end of March 2025.

APPRECIATION

I would like to extend my sincere gratitude to all my fellow Directors, our management team and staff for their efforts and contributions to the Group. I would also like to thank all our shareholders, customers and business partners for their trust and support throughout the year.

By Order of the Board
Victory Securities (Holdings) Company Limited
Chan Ying Kit
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Kou Kuen, Mr. Chiu Che Leung, Stephen and Mr. Chan Pui Chuen, one non-executive Director, namely Mr. Chan Ying Kit (Chairman) and three independent non-executive Directors, namely Mr. Ying Wing Ho Peter, Mr. Liu Chun Ning Wilfred and Dr. Yan Ka Shing.

This announcement will remain on the "Latest Listed Company Information" page of the HKEX website www.hkexnews.hk for at least 7 days from the date of its publication and on the website of the Company at www.victorysec.com.hk.