民銀資本控股有限公司

CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of CMBC Capital Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 (the "**Reporting Year**"), together with the comparative figures for the year ended 31 December 2023 (the "**Previous Year**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 *HK$'000*	2023 *HK$'000*
Revenue	*4*	**346,545**	493,894
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss ("**FVTPL**")		**24,379**	(210,476)
Net losses on financial assets at fair value through other comprehensive income ("**FVOCI**")		**(7,574)**	(127,673)
Other income	*5*	**16,715**	33,737
Other losses		**(11,882)**	(17,178)
Impairment losses	*6*	**(18,189)**	(329,950)
Staff costs	*8*	**(86,725)**	(62,822)
Depreciation		**(21,398)**	(22,548)
Other operating expenses		**(66,494)**	(57,777)
Finance costs	*7*	**(107,275)**	(260,193)
Profit/(loss) before taxation	*8*	**68,102**	(560,986)
Taxation	*9*	**(17,310)**	(11,320)
Profit/(loss) for the year attributable to owners of the Company		**50,792**	(572,306)

	Notes	**2024** HK$'000	2023 HK$'000
Profit/(loss) for the year attributable to owners of the Company		**50,792**	(572,306)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
– Equity investments at fair value through other comprehensive income			
– net movement in fair value reserve (non-recycling)		**42,003**	58,152
Item that may be reclassified subsequently to profit or loss:			
– Financial assets at fair value through other comprehensive income			
– net movement in fair value reserve (recycling)		**45,924**	176,743
Other comprehensive income for the year, net of tax		**87,927**	234,895
Total comprehensive income/(loss) for the year attributable to owners of the Company		**138,719**	(337,411)
		HK cents	*HK cents*
Earnings/(loss) per share attributable to owners of the Company	*10*		
– Basic		**4.59**	(51.04)
– Diluted		**4.59**	(51.04)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	**As at 31 December 2024 HK$'000**	As at 31 December 2023 HK$'000
Non-current assets			
Property, plant and equipment		**5,189**	5,141
Right-of-use asset		**36,814**	56,021
Goodwill		**16,391**	16,391
Intangible assets		**960**	960
Financial assets at amortised cost		**–**	15,740
Other assets		**11,080**	19,524
		70,434	113,777
Current assets			
Accounts receivable	*13*	**778,325**	104,826
Prepayments, deposits and other receivables		**9,706**	21,658
Interest receivables		**27,770**	42,682
Loans and advances	*12*	**21,810**	55,137
Financial assets at amortised cost		**15,644**	–
Financial assets at fair value through other comprehensive income	*14*	**1,539,976**	2,269,818
Financial assets at fair value through profit or loss	*15*	**920,961**	1,250,948
Tax recoverable		**–**	10,586
Cash held on behalf of customers		**211,321**	254,016
Cash and cash equivalents		**248,550**	436,102
		3,774,063	4,445,773

	Notes	As at 31 December 2024 HK$'000	As at 31 December 2023 HK$'000
Current liabilities			
Accounts payable	*16*	**270,481**	286,930
Other payables and accruals		**56,710**	44,496
Amount due to an intermediate holding company		**103,232**	32,864
Loans from an intermediate holding company	*17*	**1,234,965**	1,829,010
Tax payable		**7,003**	–
Financial assets sold under repurchase agreements	*18*	**734,923**	1,044,658
Lease liabilities		**22,188**	19,183
		2,429,502	3,257,141
Net current assets		**1,344,561**	1,188,632
Total assets less current liabilities		**1,414,995**	1,302,409
Non-current liabilities			
Lease liabilities		**19,005**	39,445
Deferred tax liabilities		**7,220**	10,262
		26,225	49,707
NET ASSETS		**1,388,770**	1,252,702
CAPITAL AND RESERVES			
Share capital	*19*	**439,702**	447,745
Reserves		**949,068**	804,957
TOTAL EQUITY		**1,388,770**	1,252,702

Notes:

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**"), which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and by the Companies Ordinance (Cap.622 of the Laws of Hong Kong). The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value through other comprehensive income and fair value through profit or loss at the end of each reporting period.

2 NEW AND AMENDMENTS TO HKFRSs

A number of new or amended standards became applicable for the current reporting period, and the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The following amendments to accounting standards are applicable for annual reporting periods commencing on or after 1 January 2024:

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

None of these is expected to have a significant effect on the consolidated financial statements of the Group.

3 SEGMENT INFORMATION

In a manner consistent with the way in which information is reported internally to the Group's management, being the chief operating decision makers, for the purpose of resources allocation and assessment of segment performance focusing on types of services provided.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- the "securities" segment representing the business line of provision of brokerage services, securities margin financing services to clients and debt securities underwriting/placing;
- the "fixed-income direct investment" segment representing direct investment and trading activities in fixed-income securities;
- the "other investment and financing" segment representing investment and trading activities in equity securities, bonds and funds other than direct investment and trading activities in fixed-income securities, and provision of loan financing services;
- the "asset management" segment representing provision of asset management services to clients;
- the "corporate finance and advisory" segment representing provision of sponsorship, equity underwriting, financial advisory and financial arrangement services to clients, and provision of client referral services; and
- the "others" segment primarily includes head office operations as well as interest income and interest expense incurred for generating working capital for general operations.

Disaggregation of revenue

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

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by service lines		
– Commission income from brokerage and related services	**8,401**	13,736
– Commission income from underwriting, sub-underwriting, placing and sub-placing	**31,234**	26,090
– Financial advisory, sponsorship, arrangement fee and other service income	**42,095**	17,048
– Asset management fee, investment advisory services fee and performance fee income	**135,944**	124,425
	217,674	181,299

	2024	2023
	HK$'000	*HK$'000*
Revenue from other sources		
Loan and financing		
– Interest income from provision of finance and securities margin financing	**9,219**	44,817
Financial investments		
– Interest income from debt securities investments	**43,785**	93,770
– Interest income from FVTPL investments	**9,522**	33,863
– Dividend income and other investment income	**66,345**	140,145
	119,652	267,778
	346,545	493,894

Disaggregation of revenue is set out below:

	Securities		**Fixed-income direct investment**		**Other investment and financing**		**Asset management**		**Corporate finance and advisory**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15	**41,928**	25,844	**–**	–	**–**	–	**135,944**	124,425	**39,802**	31,030	**217,674**	181,299
Revenue from other sources												
Loan and financing												
– Interest income from provision of finance and securities margin financing	**6,194**	8,057	**–**	–	**3,025**	36,760	**–**	–	**–**	–	**9,219**	44,817
Financial investments												
– Interest income from debt securities investments	**–**	–	**43,785**	93,770	**–**	–	**–**	–	**–**	–	**43,785**	93,770
– Interest income from FVTPL investments	**–**	–	**9,026**	31,222	**496**	2,641	**–**	–	**–**	–	**9,522**	33,863
– Dividend income and other investment income	**–**	–	**64,089**	135,415	**2,256**	4,730	**–**	–	**–**	–	**66,345**	140,145
	–	–	**116,900**	260,407	**2,752**	7,371	**–**	–	**–**	–	**119,652**	267,778
Reportable segment revenue	**48,122**	33,901	**116,900**	260,407	**5,777**	44,131	**135,944**	124,425	**39,802**	31,030	**346,545**	493,894

Segment revenue and results

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

	For the year ended 31 December 2024						
	Securities	Fixed income direct investment	Other investment and financing	Asset management	Corporate finance and advisory	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue and investment gains/(losses)							
– Reportable segment revenue	48,122	116,900	5,777	135,944	39,802	–	346,545
– Net (losses)/gains on financial assets/liabilities at fair value through profit or loss	–	(5,439)	29,818	–	–	–	24,379
– Net losses on financial assets at fair value through other comprehensive income	–	(7,574)	–	–	–	–	(7,574)
	48,122	103,887	35,595	135,944	39,802	–	363,350
Other income	3,542	2,467	147	1	53	10,505	16,715
Other gains and losses	(1,272)	1,323	(16)	(364)	(326)	(11,227)	(11,882)
Segment expenses	(44,220)	(122,267)	(22,976)	(24,619)	(31,105)	(54,894)	(300,081)
Segment results	6,172	(14,590)	12,750	110,962	8,424	(55,616)	68,102

	For the year ended 31 December 2023						
	Securities	Fixed income direct investment	Other investment and financing	Asset management	Corporate finance and advisory	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue and investment gains/(losses)							
– Reportable segment revenue	33,901	260,407	44,131	124,425	31,030	–	493,894
– Net gains/(losses) on financial assets/liabilities at fair value through profit or loss	–	4,534	(215,010)	–	–	–	(210,476)
– Net losses on financial assets at fair value through other comprehensive income	–	(127,673)	–	–	–	–	(127,673)
	33,901	137,268	(170,879)	124,425	31,030	–	155,745
Other income	10,048	9,466	3,447	8	298	10,470	33,737
Other gains and losses	925	(22,463)	1,813	442	3	2,102	(17,178)
Segment expenses	(59,671)	(444,919)	(135,064)	(25,528)	(21,247)	(46,861)	(733,290)
Segment results	(14,797)	(320,648)	(300,683)	99,347	10,084	(34,289)	(560,986)

Segment assets and liabilities

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

	As at 31 December 2024						
	Securities	**Fixed income direct investment**	**Other investment and financing**	**Asset management**	**Corporate finance and advisory**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Assets							
Segment assets	**1,082,353**	**1,721,494**	**830,220**	**92,038**	**33,494**	**84,898**	**3,844,497**
Liabilities							
Segment liabilities	**725,522**	**1,643,011**	**68,259**	**7,128**	**–**	**11,807**	**2,455,727**

	As at 31 December 2023						
	Securities	Fixed income direct investment	Other investment and financing	Asset management	Corporate finance and advisory	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets							
Segment assets	596,612	2,735,371	1,001,299	40,942	22,343	162,983	4,559,550
Liabilities							
Segment liabilities	351,269	2,806,935	100,401	198	448	47,597	3,306,848

Geographical information

The Group's operations are carried out in Hong Kong.

The Group's revenue from external customers and its non-current assets are located in Hong Kong.

Information about major customers

Revenue of approximately HK$119,348,000 for the year ended 31 December 2024 was derived from asset management service to a customer and accounted for more than 10% of the total revenue (2023: HK$87,086,000).

4 REVENUE

An analysis of the Group's revenue for the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Commission income from brokerage and related services	**8,401**	13,736
Commission income from underwriting, sub-underwriting, placing and sub-placing	**31,234**	26,090
Interest income from debt securities investments	**43,785**	93,770
Interest income from FVTPL investments	**9,522**	33,863
Interest income from provision of finance and securities margin financing	**9,219**	44,817
Dividend income and other investment income	**66,345**	140,145
Financial advisory, sponsorship, arrangement fee and other service income	**42,095**	17,048
Asset management fee, investment advisory services fee and performance fee income	**135,944**	124,425
	346,545	493,894

5 OTHER INCOME

	2024	2023
	HK$'000	*HK$'000*
Bank interest income	**5,013**	17,834
Office sharing fee income	**8,880**	8,880
Other income	**2,822**	7,023
	16,715	33,737

6 IMPAIRMENT LOSSES

	2024	2023
	HK$'000	*HK$'000*
Provision/(reversal) of impairment losses		
– Loans and advances *(note 12)*	**3,087**	89,954
– Accounts receivable *(note 13)*	**1,424**	39,033
– Financial assets at fair value through other comprehensive income *(note 14)*	**12,101**	197,569
– Financial assets at amortised cost	**(2)**	23
– Interest receivables	**1,579**	3,371
	18,189	329,950

7 FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest expense on:		
Bank borrowings	**240**	32
Repurchase agreements	**62,016**	140,887
Loans from an intermediate holding company	**43,271**	116,872
Lease liabilities	**1,748**	2,402
	107,275	260,193

8 PROFIT/(LOSS) BEFORE TAXATION

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) before taxation is arrived at after charging:		
Staff costs (including directors' remuneration):		
Wages and salaries	**85,264**	61,572
Retirement benefits contributions	**1,461**	1,250
Total staff costs	**86,725**	62,822
Auditor's remuneration	**3,344**	4,014
Depreciation of property, plant and equipment	**2,191**	3,341
Depreciation of right-of-use asset	**19,207**	19,207

9 TAXATION

	2024	2023
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**20,975**	19,199
(Over)/under provision in prior years	**(623)**	628
	20,352	19,827
Deferred tax:		
Origination and reversal of temporary differences	**(3,042)**	(8,507)
	17,310	11,320

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both the years ended 31 December 2024 and 2023.

10 EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**50,792**	(572,306)

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**1,107,589**	1,121,224

The denominators used are the same as those detailed above for the basic and diluted earnings/(loss) per share.

There was no dilutive items during the years ended 31 December 2024 and 2023.

11 DIVIDENDS

No dividend has been declared or paid by the Company during the years ended 31 December 2024 and 2023.

12 LOANS AND ADVANCES

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Loans and advances	**256,500**	286,740
Less: Allowance for expected credit losses	**(234,690)**	(231,603)
	21,810	55,137

The carrying amounts of the above loans and advances as at 31 December 2024 and 2023 are due within one year and presented under current assets.

During the year ended 31 December 2024, impairment losses of HK$3,087,000 (2023: HK$89,954,000) was recognised in the consolidated statement of profit or loss and other comprehensive income. As at 31 December 2024, loans and advances to independent third parties with gross carrying amount of HK$256,500,000 (2023: HK$258,119,000) were assessed as credit-impaired and be included in Stage 3. Allowance for expected credit losses of HK$234,690,000 (2023: HK$231,561,000) was measured and recognised, which represented the difference between the outstanding loan balances and the expected recoverable amounts (taking into account of the underlying collaterals).

Movement in expected credit losses is as follows:

	2024				2023			
	Expected credit losses				Expected credit losses			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January	**42**	**–**	**231,561**	**231,603**	449	–	141,200	141,649
Impairment losses (released)/charged to profit or loss *(note 6)*	**(42)**	**–**	**3,129**	**3,087**	(407)	–	90,361	89,954
At 31 December	**–**	**–**	**234,690**	**234,690**	42	–	231,561	231,603

13 ACCOUNTS RECEIVABLE

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Accounts receivable arising from the ordinary course of business of securities brokerage, futures and options dealing services:		
– Clearing houses	**306,354**	40,426
– Cash clients	**42,358**	182
– Margin clients	**476,217**	142,165
– Brokers	**18,265**	–
	843,194	182,773
Accounts receivable arising from the ordinary course of business of securities underwriting	**6,808**	4,192
Accounts receivable arising from the ordinary course of business of advisory and client referral services	**2,368**	2,502
Accounts receivable arising from the ordinary course of business of asset management services	**31,502**	19,482
	883,872	208,949
Less: Allowance for expected credit losses	**(105,547)**	(104,123)
	778,325	104,826

Movement in expected credit losses is as follows:

	2024 Expected credit losses				2023 Expected credit losses			
	Stage 1	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January	**4**	**–**	**104,119**	**104,123**	329	–	64,761	65,090
Impairment losses charged/(released) to profit or loss *(note 6)*	**34**	**–**	**1,390**	**1,424**	(325)	–	39,358	39,033
At 31 December	**38**	**–**	**105,509**	**105,547**	4	–	104,119	104,123

Accounts receivable arising from the business of dealing in securities

The Group seeks to maintain tight control over its outstanding accounts receivable and has procedures and policies to assess its clients' credit quality and defines credit limits for each client. All client acceptances and credit limit are approved by designated approvers according to the clients' credit worthiness.

The normal settlement terms of accounts receivable from clients and clearing house, except for accounts receivable due from margin clients, arising from the ordinary course of business of securities brokerage services are two trading days after the trade date.

Accounts receivable due from margin clients

Accounts receivable due from margin clients are repayable on demand and carry interest at 4.6% to 18.9% per annum during the year ended 31 December 2024 (2023: 5% to 18.9% per annum). The fair values of the pledged securities as at 31 December 2024 was approximately HK$2,790,299,000 (2023: HK$250,535,000). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collateral are required if the amount of accounts receivable outstanding exceeds the eligible margin value of securities deposited.

As at 31 December 2024, approximately 70% (2023: 23%) of the balance were secured by sufficient collateral on an individual basis. The corresponding collaterals held could be sold at the Group's discretion to settle any outstanding amounts owed by the margin clients when the loan to value ratio (after margin ratio haircut) is over 100%. The Group did not repledge collaterals held for financing as at 31 December 2023 and 2024.

No ageing analysis in respect of accounts receivable from margin clients is disclosed as, in the opinion of directors of the Company, an ageing analysis does not give additional value in view of the nature of this business.

Accounts receivable arising from the business of dealing in securities are assessed for expected credit losses. During the year ended 31 December 2024, impairment losses of HK$1,424,000 (2023: HK$39,033,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

Movement in the allowance for expected credit losses on accounts receivable arising from the business of dealing in securities are as follows:

	Cash clients	**Margin clients**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Balance at 1 January 2023	–	62,377	62,377
Impairment loss recognised during the year	–	39,033	39,033
Balance at 31 December 2023	–	101,410	101,410
Impairment loss recognised during the year	–	1,424	1,424
Balance at 31 December 2024	–	102,834	102,834

The Group is allowed to offset certain accounts receivable and accounts payable 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.

Accounts receivable arising from the businesses of securities underwriting, advisory, client referral and asset management services

Ageing of accounts receivable arising from the ordinary course of businesses of securities underwriting, advisory, client referral and asset management services, based on the due date, is as follows:

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Not past due	**29,937**	22,014
Less than 31 days past due	**459**	371
31 – 60 days past due	**3,995**	142
61 – 90 days past due	**1,820**	29
Over 90 days past due	**4,467**	3,620
	40,678	26,176
Less: Allowance for expected credit losses	**(2,713)**	(2,713)
Total	**37,965**	23,463

The Group applies HKFRS 9 simplified approach to measure the expected credit losses for accounts receivable arising from the business of securities underwriting, advisory, client referral and asset management services. During the year ended 31 December 2024, no impairment losses (2023: Nil) was recognised in the consolidated statement of profit or loss and other comprehensive income.

14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Listed, unlisted or quoted investments at fair value:		
Debt investments	**703,534**	923,586
Equity investments	**836,442**	1,346,232
	1,539,976	2,269,818

Movement in expected credit losses is as follows:

	2024 Expected credit losses					2023 Expected credit losses				
	Stage 1	**Stage 2**	**Stage 3**	**Purchased or originated credit impaired**	**Total**	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January	**2,190**	**–**	**639,626**	**–**	**641,816**	3,501	6,473	436,210	–	446,184
Transfer	**–**	**–**	**–**	**–**	**–**	–	(6,254)	6,254	–	–
Impairment losses (released)/ charged to profit or loss *(note 6)*	**(165)**	**–**	**12,266**	**–**	**12,101**	373	34	197,162	–	197,569
Derecognition	**(406)**	**–**	**(157,827)**	**–**	**(158,233)**	(1,684)	(253)	–	–	(1,937)
At 31 December	**1,619**	**–**	**494,065**	**–**	**495,684**	2,190	–	639,626	–	641,816

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Listed equity investments	**118,488**	23,066
Unlisted equity investments	**40,552**	200,933
Debt investments	**70,889**	383,707
Unlisted investment funds	**691,032**	643,242
	920,961	1,250,948

The fair values of the listed equity investments and debt investments were determined based on the quoted market prices.

16 ACCOUNTS PAYABLE

	As at 31 December 2024	As at 31 December 2023
	HK$'000	*HK$'000*
Accounts payable arising from the ordinary course of business of securities brokerage, futures and options dealing services:		
– Cash clients	**99,978**	174,028
– Margin clients	**99,401**	39,056
– Clearing house	**603**	68,378
– Broker	**70,499**	5,468
	270,481	286,930

Accounts payable arising from the business of dealing in securities

The accounts payable balances arising from the ordinary course of business of securities brokerage services are normally settled in two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which are repayable on demand. No ageing analysis is disclosed as, in the opinion of directors of the Company, an ageing analysis does not give additional value in view of the nature of this business.

17 LOANS FROM AN INTERMEDIATE HOLDING COMPANY

	As at 31 December 2024 *HK$'000*	As at 31 December 2023 *HK$'000*
Loans from an intermediate holding company	**1,234,965**	1,829,010
The carrying amounts of the above borrowings are repayable:		
Within one year	**1,234,965**	1,829,010

As at 31 December 2024, the Group had loans amounting to approximately HK$1,216,061,000 (2023: HK$1,789,316,000) from CMBC International Holdings Limited, an intermediate holding company and interest payable amounting to approximately HK$18,904,000 (2023: HK$39,694,000). The loans are unsecured, bear interest at rate of 4% per annum (2023: interest at rate of 4% per annum) and are repayable within one year. The Group's undrawn amount of the loan facilities is approximately HK$8,783,939,000 (2023: HK$8,210,684,000).

18 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 31 December 2024 *HK$'000*	As at 31 December 2023 *HK$'000*
Bonds	**734,923**	1,044,658

As at 31 December 2024, the Group entered into repurchase agreements with financial institutions to sell bonds recognised as financial assets at fair value through other comprehensive income, financial assets at amortised cost and financial assets at fair value through profit or loss with carrying amount of approximately HK$957,725,000 (2023: financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss with carrying amount of approximately HK$1,340,649,000), which are subject to the simultaneous agreements to repurchase these investments at the agreed dates and prices.

Sales and repurchase agreements are transactions in which the Group sells bonds and simultaneously agrees to repurchase them (or assets that are substantially the same) at the agreed dates and prices. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those bonds sold. The bonds are not derecognised from the financial statements but regarded as "collaterals" for the liabilities because the Group retains substantially all the risks and rewards of the bonds.

19 SHARE CAPITAL

		Number of shares		Amount	
		As at 31 December 2024	As at 31 December 2023	**As at 31 December 2024**	As at 31 December 2023
	Note	***'000***	*'000*	***HK$'000***	*HK$'000*
Authorised:					
Ordinary shares at HK$0.4 each		**2,500,000**	2,500,000	**1,000,000**	1,000,000
Issued and fully paid:					
At the beginning of the year		**1,119,362**	1,123,665	**447,745**	449,466
Cancellation for shares repurchased	*(i)*	**(20,106)**	(4,303)	**(8,043)**	(1,721)
At the end of the year		**1,099,256**	1,119,362	**439,702**	447,745

Note:

(i) During the year ended 31 December 2024, the Company repurchased an aggregate of 10,643,000 ordinary shares of the Company on market at prices ranging from HK$0.16 to HK$0.56 per share with a total consideration of approximately HK$2,651,000 (before transaction costs). These repurchased shares were cancelled during the year ended 31 December 2024. The discount of approximately HK$880,000 on the repurchase of shares was credited to share premium account.

During the year ended 31 December 2023, the Company repurchased an aggregate of 12,961,000 ordinary shares of the Company on market at prices ranging from HK$0.27 to HK$1.70 per share with a total consideration of approximately HK$9,245,000 (before transaction costs). Of these repurchased shares, 3,498,000 shares were cancelled during the year ended 31 December 2023. The premium of approximately HK$4,175,000 paid on the repurchase of shares was debited to share premium account. Subsequent to end of the reporting period, the remaining 9,463,000 repurchased shares were cancelled on 22 March 2024.

BUSINESS REVIEW

The Group is currently licensed to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, as well as financing and money lending business with the capacity as "exempted persons" defined in the Money Lenders Ordinance (no license required pursuant to the Money Lenders Ordinance). The Group has all material licenses required for provision of services currently expected to be requested by most of its existing and potential clients.

During the Reporting Year, the Group's profit attributable to owners of the Company amounted to approximately HK$50.8 million (Previous Year: loss of approximately HK$572.3 million), representing a turnaround from the Previous Year. The Group's basic and diluted earnings per share was HK4.59 cents for the Reporting Year (Previous Year: basic and diluted loss per share of HK51.04 cents).

The Group's revenue and net investment gains or losses increased by approximately 133.3% to approximately HK$363.4 million during the Reporting Year, compared to approximately HK$155.7 million in the Previous Year. This was primarily attributable to the change in fair value of financial assets from loss to gain year-on-year and the significant year-on-year decrease in trading losses as a result of the increase in the price of financial assets compared to last year due to the improvement in capital market conditions during the Reporting Year. Notwithstanding the scale of bond investments and external loans decreased, resulting in the decrease in the income from financial investments and loans and financing during the Reporting Year, overall revenue and net investment gains or losses increased year-on-year.

The table below presents the breakdown of segment revenue and net investment gains or losses and segment results:

	Segment Revenue and Net Investment Gains or Losses		Segment Results	
	For the year ended 31 December 2024	For the year ended 31 December 2023	**For the year ended 31 December 2024**	For the year ended 31 December 2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Securities	**48,122**	33,901	**6,172**	(14,797)
Fixed-income direct investment	**103,887**	137,268	**(14,590)**	(320,648)
Other investment and financing	**35,595**	(170,879)	**12,750**	(300,683)
Asset management	**135,944**	124,425	**110,962**	99,347
Corporate finance and advisory	**39,802**	31,030	**8,424**	10,084
Others	**–**	–	**(55,616)**	(34,289)
Total	**363,350**	155,745	**68,102**	(560,986)

Securities

The Group's securities business mainly includes the provision of brokerage services, securities margin financing and bond underwriting services to clients.

During the Reporting Year, revenue contributed by the securities segment increased to approximately HK$48.1 million and the segment result turned around from loss to profit of approximately HK$6.2 million, as compared to the revenue and loss of approximately HK$33.9 million and HK$14.8 million, respectively, in the Previous Year. The increase in segment revenue and the turnaround of segment results were mainly due to the increase in the revenue of bond underwriting and the decrease in the impairment loss of margin financing business during the Reporting Year.

During the Reporting Year, driven by refinancing needs, the number and scale of Chinese offshore bond issuances increased significantly as compared to the Previous Year. The Group's overseas bond underwriting business clients are still mainly financial institutions and local state-owned enterprises. During the Reporting Year, the Group completed the underwriting and issuance of 264 bonds with a total issuance size of more than US$53 billion. The credit qualifications of the underwriters remained sound and healthy.

The Group's securities brokerage business includes trading shares, bonds and other valuable securities of listed companies for clients, while its margin financing business includes the provision of stock secured financing for retail, corporate and high net-worth clients requiring finance for purchasing securities. The Group continues to adopt a relatively cautious development strategy as to its securities brokerage business and margin financing business.

Investment and Financing

During the Reporting Year, the external environment was more challenging. Since 2024, the Chinese government has implemented a more proactive fiscal policy and the Chinese central bank has stepped up the intensity of its monetary policy to support the high-quality development of the real economy, bringing investment opportunities for Chinese assets. Inflation in Europe and the United States of America (the "**U.S.**") has declined, and central banks around the world cut interest rates successively, which drove down benchmark rates. However, as the U.S. presidential election settled and investors repriced the risks of tariffs and reflation, the market faced greater uncertainty and volatility. During the Reporting Year, the return from investment grade Chinese dollar bonds was relatively stable, while the performance of high-yield Chinese dollar bonds diverged. The performance of A-shares and Hong Kong stocks lagged behind as compared with the stock markets in Europe, the U.S. and Japan, etc. In this regard, the Group increased the provision for expected credit losses on certain high-yield bond investments, adjusted the fair value of certain investments in equity securities on a case-by-case basis and further strengthened the risk control over the financing business.

In terms of investments, the Group focused on the Greater China region, and gradually expanded to other developed regions such as Asia, Europe and the U.S., with a focus on industries that are in the growth or expansion stage and with highly competitive barriers, and actively sought companies with outstanding core technology advantages and stronger revenue growth and profit potential. The Group also focused on technological and innovative enterprises and medical and pharmaceutical healthcare enterprises with higher growth potential that comply with the requirements of Chapter 18A of the Listing Rules.

In terms of financing, the Group provided customised financing solutions in different structures or forms according to customers' needs and provided a series of services including transaction structure design, coordination of professional parties and overall financing arrangements. Specific products include, but are not limited to, syndicated loans, asset-backed loans, merger and acquisition loans, equity pledge financing, bridge financing, etc. The Group adopts a prudent development strategy with respect to financing based on risk control.

Fixed-income direct investment

During the Reporting Year, revenue and net investment losses from the fixed-income direct investment segment, which included but not limited to coupons from listed bonds under direct investment, amounted to an aggregate of approximately HK$103.9 million as compared to approximately HK$137.3 million in the Previous Year. The segment recorded a loss of approximately HK$14.6 million in the Reporting Year as compared to loss of approximately HK$320.6 million in the Previous Year. The decrease in segment revenue was primarily due to the significant decrease in coupon income as a result of the significant decrease in the scale of bond investments during the Reporting Year, while the decrease in revenue and net investment losses was narrowed by the significant year-on-year decrease in investment losses during the Reporting Year. The significant decrease in segment loss was mainly due to the significant year-on-year decrease in the provision for expected credit losses on bond investments and the significant year-on-year decrease in financing costs due to the U.S. Federal Reserve's interest rate cuts as well as the relative decrease in the scale of financing due to the decline in the scale of investments during the Reporting Year. Provision for expected credit losses on bond investments remained comparatively high during the Reporting Year as some of the defaulted real estate bond issuers did not have a clear restructuring plan yet or the announced restructuring plans did not have significant progress, which increased the uncertainty of repayment.

Other investment and financing

During the Reporting Year, revenue and net investment gains or losses from the other investment and financing segment, which included but not limited to coupons, dividends and distribution income from listed bonds (other than those under fixed-income direct investment), listed equities, unlisted equity interests and unlisted funds, as well as interest income from loans, amounted to an aggregate of approximately HK$35.6 million as compared to approximately -HK$170.9 million in the Previous Year. The turnaround of segment revenue and net investment gains or losses from negative to positive was primarily due to the significant increase in the fair value of investment projects. Segment result turned from a loss to a profit of approximately HK$12.8 million for the Reporting Year, compared with the loss in the Previous Year of approximately HK$300.7 million. The turnaround of segment results was primarily due to the turnaround of segment revenue and net investment gains or losses from negative to positive, as well as the year-on-year decrease in the provision for expected credit losses during the Reporting Year.

The following table sets out the breakdown of investment and financing:

	As at 31 December 2024 *HK$'000*	As at 31 December 2023 *HK$'000*
Investment		
Listed equities (measured at FVTPL)	**810**	23,066
Listed equities (measured at FVOCI)	**28,087**	17,710
Unlisted equity interests	**40,552**	200,933
Bonds (measured at FVOCI)	**1,511,889**	2,252,108
Bonds (measured at FVTPL)	**188,567**	383,707
Bonds (measured at amortised cost)	**15,644**	15,740
Unlisted funds	**691,032**	643,242
Total	**2,476,581**	3,536,506
Financing		
Loans and advances	**21,810**	55,137

As at 31 December 2024, the Group's investment portfolio mainly included, but was not limited to listed equities, bonds, unlisted equity interests and unlisted funds, covering a wide range of sectors such as industrial, healthcare, technology, consumer goods, real estate and finance.

As at 31 December 2024, the proprietary investment assets of the Group amounted to approximately HK$2.5 billion (2023: approximately HK$3.5 billion), including bonds investment of approximately HK$1.7 billion (2023: approximately HK$2.7 billion). The future performance of such portfolio will depend on many factors, including uncertainties in the financial markets, the economic development trends in both Hong Kong and the Mainland China and investors' sentiment.

During the Reporting Year, the Group's investment portfolio generated a revenue of approximately HK$119.7 million (Previous Year: approximately HK$267.8 million) in total, including interest income of approximately HK$43.8 million (Previous Year: approximately HK$93.8 million) from debt securities investments, interest income of approximately HK$9.5 million (Previous Year: approximately HK$33.9 million) from FVTPL investments and dividend income and other investment income of approximately HK$66.3 million (Previous Year: approximately HK$140.1 million).

For investments classified as financial assets measured at FVOCI and FVTPL, the Group recorded an overall net gain during the Reporting Year which mainly comprised: (i) net gains from disposal recognised in the consolidated statement of profit or loss and other comprehensive income; (ii) net losses not recycled through profit or loss upon disposal of financial assets measured at FVOCI; and (iii) fair value gains recognised in fair value reserve through other comprehensive income.

The Group maintains a consistent and stable principle for its proprietary bond investment, adopts revenue-based (including charging fixed contractual interest and receiving gains on disposal) trading strategy. Adopting a top-down/bottom-up approach in its investment analysis, the Group is committed to identifying investment opportunities with sustainable and high-level revenue within limited volatility. The Group adopts a prudent risk management strategy and makes a reasonable risk estimate for its investments in order to strike a balance between risk management and revenue generation. At the same time, the Group adheres to the principle of investment diversification and has established explicit guidelines which stipulate that the position in any single bond shall not account for more than 5% of the overall position at the time of acquisition, and the portfolio shall be diversified by investing in various issuers in a wide range of sectors.

The unlisted direct investment business of the Group, which includes equity interests and funds, mainly focuses on technological and innovative enterprises and new consumption enterprises with stronger growth potential.

The Group engages in financing and loan provision business in the capacity of an "exempted person" as defined under the Money Lenders Ordinance which does not require a licence under the Money Lenders Ordinance. The Group conducts the relevant business by relying on the said exemption by virtue of China Minsheng Banking Corp., Ltd. ("**China Minsheng Bank**"), being a bank, i.e. an authorised institution, which holds a valid banking licence under the Banking Ordinance (Cap. 155, Laws of Hong Kong).

The loan business of the Group focuses on short-to-mid term financing so as to maintain the flexible configuration and high liquidity of the Group's assets. During the Reporting Year, the Group granted loans to two market players ("**Borrowers**"), involving various types of market players in consumer discretionary industry. The Group implements pre-, peri- and post-investment management. Through putting in place practicable risk control measures and rigorous risk review on each client and each project, the overall credit and operational risks of the loan business of the Group are controllable. The Group constantly monitors and adjusts the concentration, maturity profile and risk-to-revenue ratio of its asset portfolio, in order to strike a balance between the overall risk and revenue generation.

The Group's finance provision business has been conducted using the unsecured loan from CMBC International Holdings Limited ("**CMBCI**", an indirect controlling shareholder of the Company). The interest rate is determined according to the market interest rate. Specifically, at each quarter of the Reporting Year, the interest rate was determined with reference to the applicable HIBOR/Term SOFR rate plus a reasonable margin and funding cost of CMBCI. During the Reporting Year, in supporting the business development of the Group, the annual interest rate charged to the Group by CMBCI was 4%.

As a general principle, the Group chooses customers with good financial position and steady business operation (no quantitative benchmark), which enable them to pay loan interest and repay the loan principal in accordance with the proposed repayment schedule, as assessed by the Group before granting loans.

In deciding whether to grant the loan to corporate customers, the Group does not have any specific requirements on the customers' industry, business operation location, minimum amount of revenue and profit in the last 12 months, minimum amount of total assets, financial benchmarks or operation history. Each application is considered on a case-by-case basis. As a general principle, the Group will take into account factors such as whether the credibility of the customers can match the amount of loans to be granted, whether the collaterals to be provided by the customers are sufficient in value and whether they are liquid, and whether the proposed term and interest rate of the loans can match the overall credibility of and collaterals to be provided by such customers.

In terms of individual customers, the Group currently does not have any specific requirements on the age group, occupation, minimum monthly income or minimum amount of assets. Each application is considered on a case-by-case basis. As a general principle, the Group will take into account factors such as the customers' credit history, assets, the quality and liquidity of the collaterals provided, and the size and terms of the loan. During the Reporting Year, the Group had not granted loans to individual customers.

All loans were secured by pledge(s) over shares of private or listed companies and a majority of them was also guaranteed by the respective ultimate beneficial owner(s) of the Borrowers.

All Borrowers and their ultimate beneficial owners are independent third parties of the Group and had no past business dealing with the Group. They were sourced by the Group's deal teams via market information and were not referred by the senior management of the Group. The Group did not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with any connected person of the Group with respect to the granting of loans to the Borrowers.

The loan terms were determined with reference to factors including the financing costs, customers' requirements, credit assessment on customers (including income of customers), value, liquidity and enforceability of collaterals, prevailing market interest rates for similar loans, prevailing market condition, the term of the loan and the use of proceeds.

The principal amount of loans as at the end of the Reporting Year were in the range from US$10,000,000 to US$30,000,000, denominated in US$. The proposed usages of the loan proceeds were refinancing existing indebtedness or financing general working capital of the Borrowers. Pursuant to the relevant agreements, the interest rates charged to the Borrowers for the outstanding loans were 7% per annum. The loan receivables were overdue. As of the date of this announcement, the Group has been taking various steps and actions to recover the loans, including but not limited to the ongoing litigation with the obligors and the ongoing negotiation of the debt restructuring plan with the obligors.

The total loan receivables of the Group at the end of the Reporting Year amounted to approximately HK$256,500,000 (2023: approximately HK$286,740,000), of which: (i) the amount of loan receivables due from the largest Borrower was approximately HK$176,309,000 (2023: approximately HK$177,421,000), representing approximately 69% (2023: approximately 62%) of the total loan receivables of the Group; (ii) the amount of loan receivables due from all two Borrowers was approximately HK$256,500,000 (the amount of loan receivables due from all three borrowers in 2023: approximately HK$286,740,000), representing 100% (2023: 100%) of the total loan receivables of the Group; and (iii) the amount of allowance for expected credit losses provided for the loan receivables was approximately HK$234,690,000 (2023: approximately HK$231,603,000) which was determined by expected credit loss model (the "**ECL Model**") or valuation prepared by an independent professional valuer. As at 31 December 2024, loan receivables from the two Borrowers with an aggregate amount of approximately HK$256,500,000 were overdue for more than 90 days.

As (i) all Borrowers and their ultimate beneficial owners are independent third parties of the Group, and (ii) all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of each of the loans granted to the Borrowers were less than 5%, each of the loans was not subject to disclosure requirements set out in Chapter 14 and/or Chapter 14A of the Listing Rules.

The Group has in place practice guidelines for controlling the overall credit and operation risk, loan recoverability monitoring and loan collection. After the grant of loan, the business team and risk management department of the Group together monitor the financial conditions of the customers and the collaterals or the guarantors (if any) on a regular basis and take appropriate follow-up action with the counterparties including follow-up calls and site visits where the financial condition of the counterparties deteriorates or the value of the collaterals decreases dramatically.

The Group monitors the revenue, profit and cash flows, as well as asset quality of the borrowers and guarantors (collectively, "**Obligor(s)**") to assess their financial conditions. In particular, the Group assesses the Obligors' capability to generate steady profit and cash flows. Further, the Group reviews the business development of the Obligors and assesses whether their financial performance meets the expectation, and whether their milestones (if any) are completed as scheduled. In addition, the Group monitors the size of other debts of the Obligors and their repayment schedules (if obtainable), and assesses whether the Obligors have the corresponding repayment ability. Further, the Group monitors whether the Obligors are able to cover their capital expenditures with operating cash flows and external funding. The Group also pays attention to the news and other public information of the Obligors. In case the Obligor is a listed company, the Group monitors its announcements and the financial information disclosed to the public.

For the collaterals, the Group values the collaterals regularly on a semi-annual or annual basis. If the collaterals are listed shares, the Group monitors the market performance and price movement on daily basis. Where the collateral is a real estate, the Group requires a professional third-party valuer to issue a valuation report.

The Directors ensure the effectiveness of the Group's risk management and internal control systems for credit risk exposure assessment and management, loan recoverability and collateral adequacy through their design and participation in the Group's three-tiered risk management and internal control framework.

(i) At the Board level, the risk management and internal control of the Company (the "**Risk Management and Internal Control Committee**") holds semi-annual meetings to review and evaluate the risk management and internal control systems and assess their effectiveness through reviewing the risk management report submitted by the Company, discussing with the management on the major findings and management's responses to these findings and suggestions and ensuring the Company provides timely enhancement or ratifications to issues raised. The audit committee of the Company (the "**Audit Committee**") holds semi-annual meetings to review and evaluate the consolidated financial statements of the Group for the relevant reporting period (including the accounting policies and practices in respect of the impairment assessment), and review and monitor the Group's risk management and internal control systems through reviewing the internal audit report submitted by the Company, discussing with the management on relevant findings and suggestions, considering management's response to these findings and suggestions, and urging the Company to complete any ratification in a timely manner.

(ii) At the management level, all executive Directors of the Company are members of the investment and financing approval committee, which is set up by the management. The executive Directors participate and vote in the committee meetings held from time to time to evaluate and approve investment, divestment or enforcement of loan transactions. During the meeting, the executive Directors assess various matters such as the credit risk exposure, recoverability of the loan, adequacy of the collateral, commercial rationale, fairness and reasonableness of the key terms and conditions, benefits to the Group and the Company's shareholders (the "**Shareholders**"), through reviewing the due diligence report submitted by business units and discussing the proposed transactions with other investment and financing approval committee members including heads of risk management, legal and compliance departments. During the meeting, the executive Directors also request additional approval conditions or enforcement action for business units to execute in order to mitigate credit risk exposure and increase recoverability of the loan and adequacy of the collateral.

(iii) Further, at the management level, the executive Directors participate and vote in management meetings held from time to time to review and approve the Group's credit policies. In particular:

(a) in order to mitigate credit risk exposure, the management has approved the procedural guidelines and the concentration-restriction policy for the Group's investment and financing business, as well as the issuer whitelist for debt investments;

(b) in order to monitor the recoverability of loans, the management has approved the post-investment policy, pursuant to which the Group holds monthly meetings for each of the outstanding loan projects. During the meetings, the business units report to the risk management department and the management in charge on the Obligors' progress of loan repayment, completion of any milestone events, and discuss the Obligors' latest operational condition, financial status including collateral value and relevant market and industry information; and

(c) in order to monitor the adequacy of collaterals, the management has approved the collateral management policy, pursuant to which the Group requires valuation of collaterals periodically.

(iv) At the department level, the executive Directors supervise work conducted by departments responsible for executing risk management tasks (including business units, legal and compliance department, and risk management department), which monitor business operations throughout the entire process. In particular, the front office business unit conducts due diligence on proposed transactions. The middle office including risk management, legal and compliance departments, reviews the risks, legal and compliance issues involved in each transaction. The investment and financing approval committee approves each transaction. The internal audit department independently inspects by spot checking on a completed transaction and ensures its initiation, approval and execution meets the Group's internal control policies and procedures, and report to the Audit Committee.

As discussed above, the Directors fulfill their obligations in overseeing lending transactions by (a) reviewing and monitoring the effectiveness of the Group's internal control and risk management system by members of the Risk Management and Internal Control Committee and Audit Committee, (b) participating in the investment and financing approval committee meetings and approving policies providing guidelines and procedures in investment and financing business, and supervising the relevant departments on their work during due diligence, negotiation and execution process by the executive Directors, and (c) regularly receiving independent inspection reports from internal audit department.

In particular:

(i) before a proposed lending transaction can be submitted to the investment and financing approval committee for assessment, the Directors (through policies providing guidelines and procedures approved by them) require completion of relevant due diligence, site visits and research, know-your-client exercise, connected transaction and anti-money laundering reviews, commercial risk reviews, and key term reviews by business units, risk management department and legal and compliance department;

(ii) during the investment and financing approval committee meeting, the reporting and discussion focus on the borrower's and guarantor's repayment capacity, repayment sources, transaction structure, guarantee measures, collateral value and liquidity, loan purpose, and the reasonableness of core terms such as amount and duration. The executive Directors also examine the borrower's operational and financial status, industry trends, and the borrower's position within the industry, ensuring that the borrower has adequate repayment capacity and willingness at the time of approval and granting of the loan. Only projects approved by the investment and financing approval committee can proceed to the implementation stage; and

(iii) during negotiation and execution stages, the executive Directors also request the Group's own legal department and engage external lawyers to review financing agreements and related documents.

All of the above measures help support and facilitate the Directors' prudent assessment (i) of the commercial rationale for entering into each of the lending transactions of the Group, (ii) on whether the terms of transaction are fair and reasonable, and (iii) on whether the use of funds by the Group is in the interests of the Group and its Shareholders as a whole.

Where an Obligor is in default, the Group shall take necessary action(s) to safeguard its interests which includes, but are not limited to, issuing demand letters, enforcing the loan collaterals, negotiating for settlement plans, and/or commencing legal proceedings. Prior to taking any such actions, the investment and financing approval committee normally convenes a meeting to consider and approve the necessary action(s). To the extent necessary, the Group also seeks advice from third party advisors such as receivers, legal advisors and valuers.

The Group has established the ECL Model to measure the credit losses and impairment of the loans that reflects the changes in credit risk of the underlying assets. The management has the overall responsibility for the Group's credit policies and oversees the credit quality of the Group's receivables and loans portfolio. In addition, the management assesses the recoverable amount of loan receivables individually and incorporates them into the Group's ECL Model which is reviewed or audited by the Group's auditors at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group's provision for impairment of financing and money lending business for the Reporting Year was approximately HK$3,087,000 (Previous Year: approximately HK$89,954,000). The decrease in provision for impairment was mainly due to the fact that a larger amount of allowance for expected credit losses had been provided for the two loans since they were past due in 2021 and 2022 respectively, and the percentage of provision reached over 86% at the end of 2023, which resulted in a year-on-year decrease in the provision for expected credit losses during the Reporting Year. As of the date of this announcement, the Group has been taking various steps and actions to recover the loans, including but not limited to the ongoing litigation with the obligors and the ongoing negotiation of the debt restructuring plan with the obligors.

Asset Management

The Group's asset management business is the provision of asset management services to its clients, covering SFC authorised funds (commonly known as "**public funds**"), private funds, discretionary managed accounts and investment advisory services, and is committed to providing one-stop, multi-level asset management service solutions to clients based on their needs. Among which, there are two major categories of public funds issued, including bond funds and debt-equity hybrid funds; private funds include private equity-investment funds, hybrid multi-strategy funds, bond-type structured funds and money market funds, etc.

During the Reporting Year, in the face of macroeconomic challenges such as sharp fluctuations in U.S. bond yields, the U.S. election and geopolitical risks, the Group strengthened its risk control measures, proactively optimised and adjusted its investment strategies, and diligently managed the net value of its products, resulting in the satisfactory performance of the net value of its actively managed products. As at 31 December 2024, the performance of public funds was in a leading position with a steady growth in net worth during the Reporting Year. Among them, the net value of CMBC Aggregate Greater China Select Bond Fund Class I (USD) increased by approximately 4.35% and the net value of CMBC Aggregate Greater China Strategy Fund increased by approximately 10.99%. CMBC Aggregate Greater China Select Bond Fund ranked first in the "1-Year Greater China Bond Fund Performance List" in the "Hong Kong Offshore Chinese Public Fund Performance List" jointly announced by Wind Information and the Chinese Asset Management Association of Hong Kong for the first quarter of 2024 for the first time, and ranked third in the "3-Year Greater China Bond Fund Performance List" for the sixth consecutive quarter, and was awarded the "China Offshore Bonds (3 Years)" Investment Performance Award in the 2024 Professional Investment Awards held by the Insights & Mandate magazine.

Meanwhile, in response to the development trend of local asset management and wealth management business in Hong Kong, the Group successfully applied for and established an open-ended fund company in Hong Kong during the Reporting Year. In the future, the Group will launch a number of fund products in a timely manner in accordance with the needs of business development to further enrich the range of asset management products.

During the Reporting Year, the Group's asset management segment recorded revenue and profit of approximately HK$135.9 million and HK$111.0 million, respectively, representing increases as compared with revenue and profit of approximately HK$124.4 million and HK$99.3 million, respectively, of the Previous Year. The increase in segment revenue and profit was mainly due to the adjustment of the fee rates of management fees or advisory fees for certain portfolios and the recognition of performance fees income for certain portfolios during the Reporting Year.

Corporate Finance and Advisory

During the Reporting Year, under the market atmosphere dominated by block listings and fierce competition in the industry, the Group continued to rise to the challenge by assisting, in the capacity of sponsor, in the submission of listing applications on the Stock Exchange for Newtrend Technology Co., Ltd., Yoc Group and Huoli Group Holdings Limited, and in the capacity of independent financial advisor, assisted Wanguo Gold Group Limited (Stock Code: 3939) in the completion of a connected transaction and the issue of consideration shares, and acted as financial advisor in the simultaneous implementation of a privatization and a very substantial disposal, which were completed in January and February 2025, respectively. The Group expects that the stock market may continue to be volatile in 2025. However, the Group will continue to make solid preparations. In terms of equity underwriting, the Group completed a total of 22 Hong Kong IPOs during the Reporting Year amidst uncertain market sentiment, acting as joint overall coordinator for the listing of Fujing Holdings Co., Limited (Stock Code: 2497), joint global coordinator for the listing of WellCell Holdings Co., Limited (Stock Code: 2477), Dida Inc. (Stock Code: 2559), Voicecomm Technology Co., Ltd.* (Stock Code: 2495), Dmall Inc. (Stock Code: 2586), and acted as joint bookrunner for 17 other Hong Kong IPOs, as well as participated in one Hong Kong IPO placing project. The aforementioned projects cover industries such as agricultural products, shared mobility, telecommunications network services, engineering and construction, artificial intelligence, SaaS services, city services and property management, data centers, fine chemicals, and cosmetics. As at the end of 2024, the number of our potential IPO projects was higher than in 2023.

* *For identification purposes only*

During the Reporting Year, the Group's corporate finance and consulting segment recorded revenue of approximately HK$39.8 million (Previous Year: approximately HK$31.0 million) and segment profit of approximately HK$8.4 million (Previous Year: approximately HK$10.1 million) for the Reporting Year. The increase in segment revenue was mainly attributable to the increase in revenue from customer services during the Reporting Year. However, due to the increase in the number of staff in the segment and the increase in operating expenses, segment expenses increased significantly year-on-year, resulting in the decrease in profit year-on-year.

Administrative Expenses and Finance Costs

Administrative expenses and finance costs for the Reporting Year amounted to an aggregate of approximately HK$281.9 million (Previous Year: approximately HK$403.3 million). The analysis is set out below:

	For the year ended 31 December 2024	For the year ended 31 December 2023
	HK$'000	*HK$'000*
Staff costs	**86,725**	62,822
Depreciation	**21,398**	22,548
Other operating expenses	**66,494**	57,777
Finance costs	**107,275**	260,193
Total	**281,892**	403,340

The increase in staff costs was mainly due to an increase in number of employees during the Reporting Year.

The increase in other operating expenses was mainly due to the increase in advisory fee during the Reporting Year.

The decrease in finance costs was mainly due to a decrease in financing scale and a decrease in interest rates during the Reporting Year.

FINANCIAL REVIEW

Capital Structure

As at 31 December 2024, the total number of the issued share capital with the par value of HK$0.4 each was 1,099,255,693 and the total equity attributable to Shareholders was approximately HK$1,388.8 million (2023: approximately HK$1,252.7 million).

During the Reporting Year, no Shares had been purchased or granted to the selected persons of the Group under the share award scheme which was adopted in February 2016.

Liquidity and Financial Resources

The Group primarily financed its operations with internally-generated cash flows, borrowings, its internal resources and Shareholder's equity.

As at 31 December 2024, the Group had current assets of approximately HK$3,774.1 million (2023: approximately HK$4,445.8 million) and liquid assets comprising cash (excluding cash held on behalf of customers), investment in listed equity securities and debt investments totaling approximately HK$1,954.5 million (2023: approximately HK$3,062.1 million).

The Group's current ratio as at the end of the Reporting Year, calculated based on current assets of approximately HK$3,774.1 million (2023: approximately HK$4,445.8 million) over current liabilities of approximately HK$2,429.5 million (2023: approximately HK$3,257.1 million), was approximately 1.6 (2023: approximately 1.4).

The Group's finance costs for the Reporting Year mainly represented interest on repurchase agreements of approximately HK$62.0 million (Previous Year: approximately HK$140.9 million), the interest on loans from an intermediate holding company of approximately HK$43.3 million (Previous Year: approximately HK$116.9 million), and interest on lease liabilities of approximately HK$1.7 million (Previous Year: approximately HK$2.4 million).

As at 31 December 2024, the Group's indebtedness mainly comprised loans from CMBCI and financial assets sold under repurchase agreements of approximately HK$1,951.0 million (2023: approximately HK$2,834.0 million). The loans principal from CMBCI of approximately HK$1,216.1 million (2023: approximately HK$1,789.3 million) were denominated in Hong Kong dollars and United States dollars and borne interests at rate of 4% per annum (2023: 4% per annum) and were repayable within one year. As at 31 December 2024, the Group entered into repurchase agreements with financial institutions to sell bonds recognised as financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit and loss and financial assets measured at amortised cost with carrying amount of approximately HK$957.7 million (2023: approximately HK$1,340.6 million), which are subject to the simultaneous agreements to repurchase these investments at the agreed dates and prices.

The Group's gearing ratio, calculated on the basis of total indebtedness divided by the sum of total indebtedness and equity attributable to the Company's owners, was approximately 58.4% (2023: approximately 69.3%).

With the amount of liquid assets on hand, the management of the Group is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

Pledge of Asset

Except as otherwise disclosed, as at 31 December 2024, the Group did not have other pledge or charge on asset (31 December 2023: Nil).

Contingent Liability

Except as otherwise disclosed, as at 31 December 2024, the Group did not have other significant contingent liability (31 December 2023: Nil).

Capital Commitment

As at 31 December 2024, the Group did not have any significant capital commitment (31 December 2023: Nil).

Significant Investments Held

As at the end of the Reporting Year, the Group did not hold any single significant investment which accounted for over 5% of its total assets.

Material Acquisitions and Disposals of Subsidiaries and Associates

During the Reporting Year, the Group had no material acquisitions or disposals of subsidiaries and associates.

FINAL DIVIDEND

The Board did not recommend any final dividend to the Shareholders for the year ended 31 December 2024 (Previous Year: nil).

FOREIGN CURRENCY RISK MANAGEMENT

The Group's revenue is mainly denominated in U.S. dollars and Hong Kong dollars while its expenditure is mainly denominated in Hong Kong dollars. The Group's foreign exchange exposure is mainly from the translation of assets and liabilities denominated in U.S. dollars. As Hong Kong dollars are pegged to U.S. dollars, the Directors believe that the Group's foreign exchange exposure is manageable and the Group will closely monitor this risk exposure from time to time.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2024, the Group had about 93 (2023: 72) employees. For the Reporting Year, the total staff costs, including the Directors' remuneration, was approximately HK$86.7 million (Previous Year: approximately HK$62.8 million). Remuneration packages for the employees and Directors are structured by reference to market terms, individual competence, performance and experience. Benefits plans provided by the Group include mandatory provident fund scheme, subsidised training program, share award scheme and discretionary bonuses.

OUTLOOK

Prospect

While the global economy is expected to continue to recover in 2025, the world economy will face multiple challenges from isolationism and trade protectionism after the Trump administration. China's economy is expected to strengthen domestic demand under supportive monetary and fiscal policies and achieve high quality development through technological innovation. The Group remains optimistic about the economic development of China and Hong Kong, while it will also be well-prepared for external uncertainties and geopolitical challenges. It will keep a close watch on the path of interest rate cuts by the U.S. Federal Reserve and global liquidity, prepare for external shocks and challenges, and grasp the opportunities for improvement in Hong Kong's financial market, and proactively serve various types of enterprises in different business areas, so as to continue creating value for the Group's customers and Shareholders.

Development Strategy

The Group will adhere to the strategy of "One Minsheng" and conscientiously implement policies made by China Minsheng Bank. Leveraging on its competitive advantages on internationalization and its Hong Kong licensed investment banking services, the Group will strive to promote cross-border business synergies and coordination, so as to accommodate the diversified financial services needs of China Minsheng Bank and its clientele in an all-round manner; maximise its role as a platform to develop its licensed business and to build a capital-light investment bank; continue to improve its corporate governance and to strengthen its risk management capabilities. Specific measures are set out below:

(1) Develop the strategic business of investment banking at full steam. For listing sponsorship and stock underwriting business, the Group will give full play to the marketing implementation functions of the industry groups with focuses on high-tech, new energy, technology media telecommunications, consumption and other business directions, and strengthen the execution of the listing sponsorship business. The Group will strengthen the expansion of mergers and acquisitions of financial advisory projects. Based on the new economy, emerging industries and innovative products, the Group will gradually realize the industry diversification and enhance brand effect. In terms of bond underwriting business, the Group has been giving full play to the advantages of resource sharing of China Minsheng system, and has made offshore bond underwriting business an important tool to serve our clients and strengthen customer stickiness. The Group will strengthen the effort on customer maintenance and expansion, focusing on core issuer groups such as central state-owned enterprises, financial institutions and large-scale private enterprises, and continue to strengthen ability to play the role as an overall coordinator and improve business revenue generation levels. The Group has actively responded to China Minsheng Bank's green development strategy, utilise domestic and overseas synergy advantages as well as its own professional capabilities to play an active role in areas including green investment, loans and bond underwriting. For asset management business, the Group will fully utilise the domestic client and channel advantages of China Minsheng Bank to vigorously promote its entrusted asset management services, and to intensify the product net value management. The Group will seize the development opportunities of the Greater Bay Area integration and cross-border connectivity to build a comprehensive and diversified asset management platform.

(2) Solidly promote the fundamental businesses of wealth management. The Group will comprehensively enhance the capability in generating stable cash flows business, and continue to utilize the functions of the wealth management team, institutional business team and research department to empower the development of the investment banking business. The Group will continue to recruit professional and efficient team, steadily improve brokerage and trading capabilities and accelerating the establishment of an one-stop trading platform to steadily achieve profit-making in the trading business of Hong Kong stocks, U.S. stocks, Japanese stocks, futures and over-the-counter products.

(3) Continuously enhance risk and compliance management capabilities. Adhering to the principles of main responsibility and addressing both symptoms and root causes, and categorized management, the Group has seriously analyzed the causes of the issues, formulated rectification plans and effectively implemented them. In terms of risk governance structure, authorization and concentration, the Group aims to achieve well in planning and implementation. The Group ensures that new investment and financing are properly assessed to strictly control new credit risks. The Group will strictly implement its risk monitoring and early warning duties to closely monitor and provide early warning and prevention in advance. The Group will enhance network security management and accelerate the digital transformation process to provide customers with more intelligent, convenient and personalized financial services, thereby enhancing market competitiveness.

(4) Strengthen the construction of investment banking talent training system. The Group will continue to broaden the recruitment channels, improve the efficiency and quality of recruitment and attract more talents with different backgrounds and skills to lay a solid foundation of human resources for the Company's development. The Group will establish a talent training system that is in benefits of the long-term development of individual employees and the Company to form a solid foundation for the Company's continued success. The Group will strengthen the sense of belonging and loyalty of its employees and improve their overall quality and business capabilities to contribute to the long-term development of the Company.

EVENTS AFTER THE REPORTING YEAR

Save as disclosed in this announcement, there were no significant events after the Reporting Year and up to the date of this announcement.

RISK MANAGEMENT CAPABILITIES

The Group is committed to continuously strengthening its overall risk management capability and has always attached great importance to risk management and internal control. The Board has established the Risk Management and Internal Control Committee to oversee the overall risk management framework of the Group and determine the overall risk appetite and risk management strategy of the Company. The Group implements all-rounded risk management and takes a pragmatic approach to managing different risks based on the professional category, primarily including credit risks, market risks, risks of legal compliance, operation risks and liquidity risks. The Group has implemented all-rounded risk management policies and internal monitoring procedures, in order to monitor, evaluate and manage the risks involved in various businesses. The Group strictly performs risk management tasks within the existing governance framework, enhances risk management and compliance culture and philosophy, and continues to improve the risk management measures and internal control system.

CORPORATE GOVERNANCE

The Company has complied with all the applicable provisions of Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the Reporting Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by its Directors. Having made specific enquiries of all Directors, the Company confirms that all Directors have complied with the required standards as set out in the Model Code throughout the Reporting Year.

OTHER INFORMATION

Audit Committee

The audited consolidated financial statements of the Company for the year ended 31 December 2024 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

Scope of work of PricewaterhouseCoopers

The figures in respect of the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 of the Group as set out in this announcement have been agreed by the Group's Registered Public Interest Entity Auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Reporting Year. The work performed by PricewaterhouseCoopers 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Board considered that the repurchase of shares of the Company could increase the net asset value per share, so the Company repurchased a total of 10,643,000 shares of the Company on the Stock Exchange, with a total consideration (before transaction costs) of approximately HK$2.65 million during the Reporting Year. As at the end of the Reporting Year and the date of this announcement, all repurchased shares have been cancelled.

Details of the repurchase are as follows:

Month of repurchase	Total shares repurchased	Highest price paid per share *(HK$)*	Lowest price paid per share *(HK$)*	Total consideration paid *(HK$'000)*
January	**1,370,000**	**0.335**	**0.290**	**428**
February	**526,000**	**0.315**	**0.290**	**159**
March	**119,000**	**0.305**	**0.300**	**36**
April	**3,856,000**	**0.305**	**0.242**	**1,012**
May	**740,000**	**0.260**	**0.250**	**188**
June	**1,782,000**	**0.245**	**0.164**	**317**
July	**2,157,000**	**0.240**	**0.208**	**484**
August	**–**	**–**	**–**	**–**
September	**71,000**	**0.214**	**0.202**	**15**
October	**22,000**	**0.560**	**0.540**	**12**
November	**–**	**–**	**–**	**–**
December	**–**	**–**	**–**	**–**
Total:	**10,643,000**			**2,651**

The shares of the Company repurchased in September and October 2024 had been held as treasury and subsequently cancelled prior to the end of the Reporting Year.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the Reporting Year.

PUBLICATION OF ANNUAL REPORT

The 2024 annual report of the Company containing all the applicable information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cmbccap.com) in due course.

APPRECIATION

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and other professional parties for their support throughout the Reporting Year.

By order of the Board
CMBC Capital Holdings Limited
Li Baochen
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the executive Directors are Mr. Li Baochen, Mr. Li Ming and Mr. Ng Hoi Kam, the non-executive Directors are Mr. Yang Kunpeng and Ms. Wu Yuan, and the independent non-executive Directors are Mr. Lee, Cheuk Yin Dannis, Mr. Wu Bin and Mr. Wang Lihua.