中薇金融
CHINA VÊRED FINANCIAL

China Vered Financial Holding Corporation Limited
中薇金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 245)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board (the "Board") of Directors (the "Directors") of China Vered Financial Holding Corporation Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (hereinafter together referred as the "Group") for the year ended 31 December 2024 together with the comparative figures of the corresponding year in 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Note	**2024** HK$'000	2023 HK$'000
Interest income		**62,400**	76,241
Commission and fee income		**21,036**	26,760
Investment income		**25,956**	11,384
Total revenue	*4,5*	**109,392**	114,385

	Note	**2024** *HK$'000*	2023 *HK$'000*
Net gain on financial assets/liabilities		**436,481**	81,810
Other loss		**(6,078)**	(7,047)
Trading costs		**(12,872)**	(2,299)
Staff costs and related expenses		**(157,864)**	(78,086)
Premises expenses		**(11,019)**	(12,497)
Legal and professional fees		**(14,185)**	(19,250)
Depreciation		**(1,253)**	(1,721)
Information technology expenses		**(5,053)**	(10,367)
Expected credit losses ("ECL")		**(39,179)**	(49,389)
Other operating expenses		**(14,876)**	(21,288)
Write-off of other intangible assets		**–**	(902)
Share of post-tax loss of associates		**(9,167)**	(7,195)
Finance costs		**(700)**	(1,398)
Profit/(loss) before income tax	*6*	**273,627**	(15,244)
Income tax expense	*7*	**(50,431)**	(8,317)
Profit/(loss) for the year		**223,196**	(23,561)
Profit/(loss) attributable to:			
— Owners of the Company		**222,816**	(24,834)
— Non-controlling interests		**380**	1,273
		223,196	(23,561)
		HK Cents per share	*HK Cents per share*
Earnings/(loss) per share attributable to owners of the Company			
Basic earnings/(loss) per share	*9*	**0.64**	(0.08)
Diluted earnings/(loss) per share	*9*	**0.64**	(0.08)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year		**223,196**	(23,561)
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value on equity instruments at fair value through other comprehensive income, net of tax	*11 (a)&(b)*	**(20,836)**	(104,917)
Items that may be reclassified subsequently to profit or loss			
Net change in fair value on debt instruments at fair value through other comprehensive income, net of tax		**2,511**	(55,887)
Net change in ECL allowances on debt instruments at fair value through other comprehensive income	*11(c)*	**(796)**	31,450
Reclassified to profit or loss on disposal of debt instruments at fair value through other comprehensive income		**5,318**	(85)
Exchange differences on translation of foreign operations		**(26,252)**	(13,344)
Other comprehensive loss for the year, net of tax		**(40,055)**	(142,783)
Total comprehensive income/(loss) for the year		**183,141**	(166,344)
Total comprehensive income/(loss) for the year attributable to:			
— Owners of the Company		**183,424**	(167,301)
— Non-controlling interests		**(283)**	957
		183,141	(166,344)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	**2024** **HK$'000**	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**8,535**	1,403
Right-of-use assets		**10,277**	2,444
Goodwill		**5,079**	5,079
Other intangible assets		**–**	–
Investments in associates		**68,731**	77,898
Rental and other deposits		**3,385**	3,130
Loan and interest receivables	*13*	**–**	79,900
Financial assets at fair value through profit or loss	*10*	**2,850,203**	2,096,875
Financial assets at fair value through other comprehensive income	*11*	**254,580**	336,434
Deferred tax assets		**138,849**	130,671
Total non-current assets		**3,339,639**	2,733,834
Current assets			
Margin receivables and other trade receivables	*12*	**12,774**	66,565
Other receivables, prepayments and deposits		**11,148**	66,005
Loan and interest receivables	*13*	**118,175**	129,986
Other interest receivables		**5,865**	13,195
Financial assets at fair value through profit or loss	*10*	**664,944**	387,672
Financial assets at fair value through other comprehensive income	*11*	**88,874**	16,013
Financial assets at amortised cost		**26,007**	2,412
Tax receivables		**–**	170
Deposits with brokers		**42,537**	213,008
Cash and cash equivalents		**419,733**	689,636
Total current assets		**1,390,057**	1,584,662
Total assets		**4,729,696**	4,318,496

	Note	**2024**	2023
		HK$'000	*HK$'000*
EQUITY			
Equity attributable to owners of the Company			
Share capital	*14*	**4,582,684**	4,454,374
Other reserves		**(82,939)**	(216,963)
Accumulated losses		**(120,995)**	(255,035)
		4,378,750	3,982,376
Non-controlling interests		**6,288**	6,581
Total equity		**4,385,038**	3,988,957
LIABILITIES			
Non-current liabilities			
Lease liabilities		**8,956**	–
Deferred tax liabilities		**–**	5,805
Total non-current liabilities		**8,956**	5,805
Current liabilities			
Accruals and other payables		**138,331**	161,758
Loan and interest payables		**–**	27,639
Financial liabilities at fair value through profit or loss	*10*	**9,892**	6,925
Current tax liabilities		**185,544**	124,793
Lease liabilities		**1,935**	2,619
Total current liabilities		**335,702**	323,734
Total liabilities		**344,658**	329,539
Total equity and liabilities		**4,729,696**	4,318,496
Net current assets		**1,054,355**	1,260,928
Total assets less current liabilities		**4,393,994**	3,994,762

Notes:

1. STATUTORY FINANCIAL STATEMENTS

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of 2024 Annual Results does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance Cap. 622 (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2024, The auditor's report was qualified and contained a statement under sections 407(2) and 407(3) of the Companies Ordinance. The auditor's report did not contain a statement under 406(2) of the Companies Ordinance. For details, please refer to sub-section under "EXTRACT FROM INDEPENDENT AUDITOR'S REPORT".

2. GENERAL INFORMATION

China Vered Financial Holding Corporation Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered and business office is Suites 2803–04, 28/F, South Island Place, 8 Wong Chuk Hang Road, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The consolidated financial statements are presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated.

3.1 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and the Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, and financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2024:

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

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future reporting periods.

New standards and interpretations not yet adopted by the Group

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4. SEGMENT INFORMATION

Chief operating decision maker ("CODM") has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature perspective, including the provision for asset management services ("Asset management"), securities brokerage services ("Securities brokerage") and investment holding ("Investment holding"). Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

For the year ended 31 December 2024

	Reportable segment					
	Asset management *HK$'000*	**Securities brokerage** *HK$'000*	**Investment holding** *HK$'000*	**Total** *HK$'000*	**Unallocated amount** *HK$'000* *(Note i)*	**Total** *HK$'000*
Interest income	**–**	**8,862**	**34,883**	**43,745**	**18,655**	**62,400**
Commission and fee income	**14,991**	**305**	**4,361**	**19,657**	**1,379**	**21,036**
Investment income	**–**	**–**	**25,956**	**25,956**	**–**	**25,956**
Revenue from external customers	**14,991**	**9,167**	**65,200**	**89,358**	**20,034**	**109,392**
Net gain on financial assets/liabilities	**–**	**–**	**436,481**	**436,481**	**–**	**436,481**
	14,991	**9,167**	**501,681**	**525,839**	**20,034**	**545,873**
Segment profit/(loss) before income tax	**3,656**	**(31,350)**	**456,378**	**428,684**	**(155,057)**	**273,627**
Other segment information:						
Depreciation of property, plant and equipment	**–**	**(1)**	**(4)**	**(5)**	**(1,248)**	**(1,253)**
Depreciation of right-of-use assets	**–**	**–**	**–**	**–**	**(2,985)**	**(2,985)**
Provision for ECL allowances	**–**	**(34,021)**	**(5,158)**	**(39,179)**	**–**	**(39,179)**
Staff costs and related expenses	**(4,704)**	**(3,930)**	**(11,853)**	**(20,487)**	**(137,377)**	**(157,864)**

For the year ended 31 December 2023

	Reportable segment					
	Asset management *HK$'000*	Securities brokerage *HK$'000*	Investment holding *HK$'000*	Total *HK$'000*	Unallocated amount *HK$'000* *(Note i)*	Total *HK$'000*
Interest income	1,128	7,467	46,212	54,807	21,434	76,241
Commission and fee income	16,131	230	9,610	25,971	789	26,760
Investment income	–	–	11,384	11,384	–	11,384
Revenue from external customers	17,259	7,697	67,206	92,162	22,223	114,385
Net gain on financial assets/liabilities	–	–	81,810	81,810	–	81,810
	17,259	7,697	149,016	173,972	22,223	196,195
Segment (loss)/profit before income tax	(4,383)	(3,972)	57,613	49,258	(64,502)	(15,244)
Other segment information:						
Depreciation of property, plant and equipment	–	(131)	(28)	(159)	(1,562)	(1,721)
Depreciation of right-of-use assets	–	–	–	–	(8,299)	(8,299)
Provision for ECL allowances	–	(2,800)	(46,589)	(49,389)	–	(49,389)
Write-off of intangible assets	–	–	–	–	(902)	(902)
Staff costs and related expenses	(11,252)	(4,814)	(17,190)	(33,256)	(44,830)	(78,086)

Note i: The "unallocated amount" primarily included unallocated interest income, service fee income and expenditures for head office operations as well as interest expenses for general working capital.

Breakdown of the revenue from external customers and net gain/(loss) on financial assets and liabilities by geographical location is as follows:

For the year ended 31 December 2024

	Hong Kong	**The PRC**	**Japan**	**Canada**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from external customers	**92,851**	**1,670**	**12,860**	**2,011**	**109,392**
Net gain/(loss) on financial assets/liabilities	**453,597**	**5,293**	**(22,409)**	**–**	**436,481**
	546,448	**6,963**	**(9,549)**	**2,011**	**545,873**

For the year ended 31 December 2023

	Hong Kong	The PRC	Japan	Canada	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	95,418	3,714	13,646	1,607	114,385
Net gain on financial assets/liabilities	67,063	14,747	–	–	81,810
	162,481	18,461	13,646	1,607	196,195

Breakdown of the total non-current assets other than financial instruments and deferred tax assets by location of the assets is shown in the following:

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**39,914**	29,664
The PRC	**52,668**	57,106
Japan	**–**	5
Canada	**40**	49
	92,622	86,824

5. REVENUE

	2024	2023
	HK$'000	*HK$'000*
Interest income:		
Interest income from loan lending business *(note i)*	**14,013**	7,408
Interest income from margin financing business *(note i)*	**8,862**	6,112
Interest income from debt instruments at amortised cost *(note i)*	**460**	603
Interest income from debt instruments at fair value through other comprehensive income *(note i)*	**10,954**	17,509
Interest income from financial assets at fair value through profit or loss	**9,259**	20,449
Other interest income	**18,852**	24,160
	62,400	76,241
Commission and fee income (note ii):		
Advisory fee income	**9,120**	13,575
Commission income from securities brokerage	**1,534**	1,019
Loan arrangement fee income	**–**	600
Fee income received from asset management	**10,232**	11,566
Underwriting fee income	**150**	–
	21,036	26,760
Investment income:		
Dividend income	**25,956**	11,384
	25,956	11,384
	109,392	114,385

Note i: Total interest income calculated using effective interest method from loan lending business, margin financing business, debt instruments at amortised cost and debt instruments at fair value through other comprehensive income amounted to HK$34,289,000 (2023: HK$31,632,000).

Note ii: Commission and fee income is the only revenue arising from HKFRS 15, while interest income and investment income are under the scope of HKFRS 9. Included in revenue arising from contract with customers recognised at a point of time and over time were revenue of HK$3,595,000 (2023: HK$8,204,000) and HK$17,441,000 (2023: HK$18,556,000) respectively.

6. PROFIT/(LOSS) BEFORE INCOME TAX

	2024	2023
	HK$'000	*HK$'000*
Profit/(loss) before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration	**3,150**	3,080
Short-term leases expenses	**5,869**	2,065
Gain on disposal of property, plant and equipment	**(277)**	–
Write-off of property, plant and equipment	**2**	60
Provision for/(reversal of) ECL allowances		
— loan and interest receivables	**234**	3,044
— margin receivables	**34,021**	–
— financial assets at amortised cost	**(1,113)**	4,187
— financial assets at fair value through other comprehensive income	**(796)**	31,450
— other interest receivables	**6,833**	7,908
— other trade receivables	**–**	2,800
	39,179	49,389
Foreign exchange loss, net	**8,078**	7,146

7. INCOME TAX

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 and taxation on profits assessable elsewhere have been calculated at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (2023: 25%).

	2024	2023
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
— charge for the year	**61,939**	5,995
— (over)/underprovision for prior year	**(138)**	138
PRC Enterprise Income Tax		
— charge for the year	**431**	51
Overseas income tax		
— charge for the year	**2,072**	1,665
— under/(over)provision for prior year	**117**	(188)
Deferred tax		
— credit for the year	**(14,778)**	(1,841)
— underprovision for prior year	**788**	2,497
Income tax expense	**50,431**	8,317

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: HK$Nil).

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$222,816,000 (2023: loss of HK$24,834,000) and the weighted average number of ordinary shares of approximately 34,680,939,000 (2023: 32,980,392,000) in issue during the year (excluding the ordinary shares purchased by the Company under the share award plan).

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share amount was the same as basic earnings/(loss) per share amount as there were no potential dilutive ordinary shares outstanding for the years ended 31 December 2024 and 31 December 2023.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss include the followings:

	Note	**2024** **HK$'000**	2023 *HK$'000*
Financial assets at fair value through profit or loss			
Unlisted equity investments		**2,382,416**	1,592,505
Unlisted investment funds	*(a)*	**450,460**	582,385
Unlisted debt investment		**23,200**	57,603
Listed equity investments	*(b)*	**650,816**	194,832
Listed debt investments	*(b)*	**8,255**	44,223
Convertible loan	*(b)*	**–**	12,999
		3,515,147	2,484,547
Classified as:			
Non-current assets		**2,850,203**	2,096,875
Current assets		**664,944**	387,672
		3,515,147	2,484,547

	2024	2023
	HK$'000	*HK$'000*
Financial liabilities at fair value through profit or loss		
Other financial liabilities	**9,892**	6,925
	9,892	6,925
Classified as:		
Current liabilities	**9,892**	6,925

Notes:

(a) The investments in unlisted investment funds of HK$450,460,000 (2023: HK$582,385,000) represent investments in unconsolidated structured entities. The Group does not consolidate these structured entities as the Group does not have control over them. Such structured entities include investments in funds and partnership managed by certain subsidiaries of the Group and/or third parties. The maximum exposure to loss is HK$450,460,000 (2023: HK$582,385,000) which represents the fair value as at 31 December 2024.

The size of these unconsolidated structured entities is HK$5,698,158,000 (2023: HK$4,956,252,000).

During the year, the Group did not provide financial support to these unconsolidated structured entities and has no intention of providing financial or other support.

(b) The interest receivables derived from convertible loan, listed debt investments and certain listed equity investments have been recognised as other interest receivables in the consolidated statement of financial position.

Investment in Fund F

As at 31 December 2024, these financial assets included an investment in an unlisted investment fund (the "Fund F"), which was managed by an external fund manager (the "Fund Manager E"), whose carrying value amounted to approximately HK$60,219,000 (2023: HK$67,976,000). The original cost of investment in the Fund F amounted to approximately HK$77,981,000 with an accumulated fair value loss of approximately HK$17,762,000 (2023: HK$10,005,000). Based on the fund documents of the Fund F, its investment objective is to invest in equity or debt securities of healthcare companies with disruptive technologies or products. According to the latest available financial information of the Fund F, it was noted that the main underlying assets included investments in unlisted equity securities and convertible note of various healthcare companies.

As at 31 December 2023, the Group was unable to obtain updated and sufficient financial information and valuation performed in respect of the underlying assets of the Fund F from the Fund Manager E and no sufficient information of the underlying assets of the Fund F as at and for the year ended 31 December 2023 was available for the Group for assessing the fair value of the Fund F. As such, the fair value of the Fund F was reference to the net assets value approach based on the capital statement as at 31 December 2023 provided by the Fund Manager E. The Group considered that the basis applied in the fair value assessment of the Fund F including the recognition of fair value loss of approximately HK$5,891,000 during the year ended 31 December 2023 represented their best estimate.

During the year and up to date of the approval of the consolidated financial statements, the Group has taken active measures including discussion with the Fund Manager E to obtain documentary evidence in respect of the underlying assets of the Fund F. The Group has obtained necessary financial information and valuation in relation to the underlying assets of the Fund F from the Fund Manager E. The Group considered that the carrying value of the investment in the Fund F was properly stated as at 31 December 2024. The Group would continue to implement all possible actions to safeguard the investment in the Fund F.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at fair value through other comprehensive income include the followings:

	Note	**2024**	2023
		HK$'000	*HK$'000*
Financial assets at fair value through other comprehensive income			
Unlisted investment funds	*(a)*	**38,761**	108,762
Listed equity investments	*(b)*	**66,294**	207,174
Listed debt investments	*(c)*	**238,399**	36,511
		343,454	352,447
Classified as:			
Non-current assets		**254,580**	336,434
Current assets		**88,874**	16,013
		343,454	352,447

Notes:

(a) The investments in unlisted investment funds of HK$38,761,000 (2023: HK$108,762,000) represent investments in unconsolidated structured entities which were designated as fair value through other comprehensive income as these investments are held for long term strategic purpose. The Group does not consolidate these structured entities as the Group does not have control over them. Such structured entities include investments in funds managed by third parties and the investment funds mainly invested in equity and debt securities issued by entities from banking and finance sector and energy and chemical sector. The maximum exposure to loss is HK$38,761,000 (2023: HK$108,762,000) which represents the fair value as at 31 December 2024.

The size of these unconsolidated structured entities is HK$46,841,000 (2023: HK$131,434,000).

During the year, the Group did not provide financial support to the unconsolidated structured entities and has no intention of providing financial or other support.

During the year ended 31 December 2024, the net fair value loss on investment in unlisted investment funds of approximately HK$5,530,000 (2023: approximately HK$37,886,000) was recognised in other comprehensive income.

(b) The Group designated these investments at fair value through other comprehensive income as the investments are held for long term strategic purposes. The issuers of these listed equity investments are mainly under banking and finance sector and real estate sector.

During the year ended 31 December 2024, certain listed equity investments with fair value of approximately HK$155,405,000 (2023: HK$55,131,000) were disposed which is in line with the Group's inherent investment strategy. The cumulative gain of approximately HK$4,876,000 (2023: HK$182,000) that was previously included in the investment revaluation reserve (non-recycling) was transferred directly to retained earnings during the year ended 31 December 2024.

During the year ended 31 December 2024, the net fair value loss on listed equity investments of approximately HK$15,306,000 (2023: approximately HK$67,031,000) was recognised in other comprehensive income.

(c) The interest receivables derived from listed debt investments have been recognised as other interest receivables in the consolidated statement of financial position.

ECL allowances attributable to debt investments at fair value through other comprehensive income as at 31 December 2024 amounted to HK$553,764,000 (2023: HK$592,750,000). The decrease in ECL allowances of HK$796,000 (2023: increase of HK$31,450,000) was recognised in the consolidated statement of profit or loss during the year.

12. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Margin receivables	**99,454**	118,342
Less: ECL allowances	**(97,587)**	(63,566)
	1,867	54,776
Trade receivables arising from asset management business and underwriting business	**13,707**	14,589
Less: ECL allowances	**(2,800)**	(2,800)
	10,907	11,789
	12,774	66,565

As at 31 December 2024, loans to margin clients are secured by clients' pledged Hong Kong-listed securities at fair value of HK$4,646,000 (2023: HK$430,937,000) which can be sold at the discretion of a subsidiary of the Group to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

ECL allowances attributable to margin receivables as at 31 December 2024 amounted to HK$97,587,000 (2023: HK$63,566,000). Increase in ECL allowances of HK$34,021,000 (2023: HK$Nil) was recognised in the consolidated statement of profit or loss during the year.

Except for those margin receivables in stage 3 of ECL assessment, the Group considered that the business nature of margin receivables is short-term and the directors are of the opinion that no further aging analysis is disclosed.

Trade receivables arising from asset management business are mainly due at the end of the relevant valuation period of the investment funds and managed accounts. However, some of these trade receivables are only due after the relevant valuation period as a result of credit periods granted to certain investment funds and managed accounts which are generally within three months.

These trade receivables are generally deducted from the net asset value of the investment funds and managed accounts and paid directly by the administrator or custodian of these investment funds and managed accounts at the end of the relevant valuation period or credit period, as appropriate.

ECL allowances attributable to other trade receivables as at 31 December 2024 amounted to HK$2,800,000 (2023: HK$2,800,000). No ECL allowance (2023: increase of HK$2,800,000) was recognised in the consolidated statement of profit or loss during the year.

Aging analysis of gross other trade receivables from the trade date is as follows:

	2024	2023
	HK$'000	*HK$'000*
0–90 days	**2,798**	2,358
91 days to 1 year	**6,877**	8,190
Over 1 year	**4,032**	4,041
	13,707	14,589

The carrying amounts of the margin receivables approximate to their fair values.

The carrying amounts of other trade receivables approximate to their fair values due to the short-term maturity. The maximum exposure to credit risk at the reporting date is the carrying amounts of the other trade receivables. The Group did not hold any collateral as security as at 31 December 2024 (2023: HK$Nil).

13. LOAN AND INTEREST RECEIVABLES

As at 31 December 2024, these loan receivables bore interest at fixed rate ranging at 10% to 15% per annum (2023: 10% to 15% per annum). Interest income derived from loan receivables was recognised and presented under "Interest income from loan lending business" in note 5 to this announcement.

Regular credit reviews on these loans receivables are conducted by the Risk Management Department based on the latest status of these loans, and the latest announced or available information about the borrowers and the underlying collateral held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans in order to minimise credit risk by regularly reviewing the borrowers' and/or guarantors' financial positions.

As these loan receivables will be settled within 12 months, the carrying amounts approximate to their fair values.

ECL allowances attributable to loan and interest receivables as at 31 December 2024 amounted to HK$263,544,000 (2023: HK$263,310,000). The increase in ECL allowances of HK$234,000 (2023: HK$3,044,000) was recognised in the consolidated statement of profit or loss during the year.

The following is an aging analysis of loan and interest receivables based on the contract note at the reporting date:

	2024	2023
	HK$'000	*HK$'000*
Not past due or less than 1 month past due	**9,986**	97,186
1–3 months past due	**–**	–
3–6 months past due	**–**	1,773
6–12 months past due	**–**	–
Over 12 months past due	**371,733**	374,237
	381,719	473,196
Less: ECL allowances	**(263,544)**	(263,310)
	118,175	209,886
Classified as:		
Non-current assets	**–**	79,900
Current assets	**118,175**	129,986
	118,175	209,886

14. SHARE CAPITAL

	2024		2023	
	Number of shares	**Amount**	Number of shares	Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Ordinary shares, issued and fully paid:				
At 1 January	**34,714,459**	**4,454,374**	34,714,459	4,454,374
New shares issued *(Note)*	**2,467,500**	**128,310**	–	–
At 31 December	**37,181,959**	**4,582,684**	34,714,459	4,454,374

Note:

On 27 September 2024, the Company as warrantor and an indirect wholly-owned subsidiary of the Company as purchaser (the "Purchaser") entered into two sale and purchase agreements ("Agreements") with two vendors respectively, pursuant to which vendors agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of two target companies (the "Acquisition"). The two target companies are special purpose vehicles of the vendors, with each of their principal assets being investments in certain class B shares of SC Lowy Partners (Cayman) Ltd. ("SCL"), representing in total 7.08% of the total issued share capital of SCL. The aggregate consideration payable by the Company to the vendors amounted to US$23,500,000 (equivalent to approximately HK$183.3 million) and had been satisfied as to (i) US$7,050,000 (equivalent to approximately HK$55.0 million) in cash; and (ii) US$16,450,000 (equivalent to approximately HK$128.3 million) by way of the allotment and issue of the consideration shares by the Company.

Pursuant to the Agreements, a total of 2,467,500,000 consideration shares of the Company shall be allotted and issued to the vendors, which represent approximately 7.11% of the issued share capital of the Company as at 27 September 2024 and approximately 6.64% of the issued share capital of the Company as enlarged by the allotment and issue of all the consideration shares. Completion of the Acquisition took place on 7 October 2024 and the new shares were issued on the same date at the issue price of HK$0.052 per share. Upon completion of the Acquisition, the investment in SCL is classified as financial assets at fair value through profit or loss.

Please refer to the announcements of the Company dated 27 September 2024 and published on 29 September 2024 for further details of the Acquisition.

15. CONTINGENT LIABILITIES

On 7 June 2022, the Group's subsidiary, China Vered Asset Management (Hong Kong) Limited ("CVAM"), received a Writ of Summons with an indorsement of claim issued by the plaintiff in the Court of First Instance of the High Court of the Hong Kong Special Administrative Region naming CVAM as a defendant. Details of the receipt of Writ of Summons are set out in the Company's announcement dated 10 June 2022. Subsequently, on 5 August 2022, Shareholder Value Offshore Fund (the "Fund") was also added as a defendant.

As stated in the indorsement of claim attached to the Writ of Summons, the plaintiff claims against the defendants, among others, for: (1) a sum of US$17,090,460.61, being the original investment amount of US$25,000,000.00 made by the plaintiff in the Fund where CVAM serves as the investment manager, less US$7,909,539.39, being the redemption proceeds paid to the plaintiff; (2) interest for investment in the Fund; (3) loss and/or damages; (4) such further or other reliefs as the court shall deem fit; and (5) costs.

The Group has sought legal advice in respect of the litigation. At the end of the reporting period and up to the date of approval of the consolidated financial statements, based on the information available and the advice from external legal advisors, the Group's management assessed that whether any present obligation exists remains high uncertainty. Accordingly, the Group has not made any provisions for claim arising from the litigation, other than the related legal and other costs.

CVAM, as a licensed corporation registered with the SFC, may be required to assist in and/or are subject to inquiries by relevant regulatory authorities in Hong Kong, including the SFC, if and when necessary. CVAM has been involved in ongoing communication with regulatory authorities regarding matters being investigated by the Group in prior year and no disciplinary action has been initiated by any regulatory authorities as of the date of this announcement. The Group has not made any provision for the aforementioned contingency.

Save as disclosed above and elsewhere in this announcement, as at 31 December 2024, the Group and the Company did not have any significant contingent liabilities (2023: HK$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2024, disparities can be observed in terms of global macroeconomic recovery, with a widening gap in the growth momentum between major economies. According to the data from the International Monetary Fund (IMF), the global economic growth rate was 3.2% in 2024, which was lower than the historical average of 3.7% from 2000 to 2019. In developed economies, the economic growth rate of the United States was approximately 2.8% due to consumption and investment resilience, while that of the Eurozone was only 0.8% due to a sluggish manufacturing industry and weak goods exports. The economic growth in Japan slightly slowed down due to supply disruptions, while the German economy entered a stage of contraction. Prominent disparities also exist among emerging and developing economies. The Asian economy took the lead with a 5.2% growth rate. In particular, the growth rate of the Indian economy reached 6.5% even though industrial development in the country had slowed down. The growth rate of the Chinese economy slowed down to 5% under the influence of factors such as deep adjustment of the real estate sector and a sluggish consumption market. Yet the initial growth target was still achieved, demonstrating its economic resilience and potential.

As far as Hong Kong is concerned, the Hong Kong economy experienced a moderate recovery in 2024 with an expected GDP growth of 2.5% for the year as a whole. This recovery is characterized by a shift in internal and external momentum and intensifying structural differentiation. External demand may become the main engine of growth in the short term. The reorganization of the regional supply chain, coupled with the low base effect, has driven the growth of commodity trading, yet the recovery of service trading has been lagging behind. In particular, in terms of tourism, although there has been a rebound in the number of visitors, the consumption pattern has shifted from traditional shopping to cultural experiences, and local retail sales have continued to be lower than the pre-epidemic levels. This indicates that the endogenous dynamics of the economy has yet to be fully restored. Residents' income has been supported by the stable job market, yet competition in the local service sector has intensified due to cross-border consumption. Meanwhile, the axing of all extra stamp duties has brought short-term stimulation to the property market, yet the downward trend of the property market resumed under the co-existence of pressure on asset price adjustments and industrial restructuring.

Disparities can be observed in Hong Kong's capital market, with the Hang Seng Index rising 17.7% for the year as a whole, while the Hang Seng China Enterprises Index and the Hang Seng Technology Index increased by 26.4% and 18.7% respectively. In particular, the technology and financial sectors rebounded strongly, thanks to loose global liquidity and benefits of regional innovation, while traditional sectors such as healthcare and real estate were constrained by cyclical supply-demand imbalances and a tighter regulatory environment, highlighting structural contradictions during the economic transition. The Stock Exchange of Hong Kong Limited (the "Stock Exchange") completed its largest IPO project in the past three years during the second half of 2024, and the capital raised from the Hong Kong IPO market increased compared to last year, regaining its position among the top five global IPO markets. Liquidity in the secondary market also improved, reflecting to a certain extent, international investors' recognition of Hong Kong's status as a regional hub.

Overall, the Hong Kong economy remains resilient amidst external fluctuations, but the pain of transitioning from old to new trends is evident. There is a pressing need to enhance regional synergies and pursue industrial upgrading to achieve a breakthrough.

BUSINESS REVIEW

Looking back over 2024, the Company deepened its governance innovation. With strategic synergy, cost reduction and efficiency enhancement as its core, the Company optimized its organizational structure, enhanced operational efficiency, and strategically focused on resources. It significantly expanded its equity asset allocation, emphasizing technological empowerment, green transformation, healthcare, as well as opportunities in the Asia-Pacific region to construct a cross-cyclical and cross-regional diversified investment portfolio. The Company flexibly adjusted its investment strategy across multiple dimensions in the secondary market, achieved a two-way enhancement in capital allocation effectiveness and counter-cyclical resilience. Overall, the Company has gradually established a five-pronged business development path of "cost reduction and efficiency enhancement, risk elimination, precise investment, capacity reshaping and strategic positioning".

At the corporate governance level, the Company prioritized strategic transformation and operational efficiency enhancement to drive high-quality development through structural adjustment. On one hand, the Company implemented end-to-end cost reduction and efficiency enhancement on the operations side, integrated redundant office resources, and achieved systematic reductions in operating costs through site coordination. On the other hand, the Company adhered to the dynamic optimization and management of inventory on the asset side, established an asset efficiency assessment mechanism, accelerated clearance of underperforming assets and disposal of risky items, efficiently revitalized idle funds to release liquidity, and strengthened its resource reallocation capability. Meanwhile, the Company established a dynamic exit mechanism for non-core businesses, promoting the reallocation of resources to high-value segments through systematic assessment and structural abolition. In addition, the Company optimized human resource allocation, enhancing the stability and vitality of its core team through its share award plan, and simultaneously improving the staff training mechanism to bolster its talent pool. Cross-departmental collaboration processes were refined, the decision-making chain was improved, and a closed-loop management and control system of "strategy-execution-feedback" was established. This enabled refined management specificity and the comprehensive improvement in operational effectiveness, and provided organizational protection and efficient support for the high-quality development of the business.

At the investment business level, the Company adhered to a diversified investment strategy, focusing on high-growth areas and structural opportunities, and committed to building a cross-cycle, multi-track asset portfolio. In the financial technology sector, the Company focused on extending its business presence into the digital asset trading platforms, seizing the high-growth cycle of the industry, and actively promoting the value release of high-quality targets. In the new energy sector, the Company targeted clean energy technology solutions and accelerated value capture across the industry chain by leveraging the low-carbon transformation of global shipping and the upgrading of energy demand. Meanwhile, the Company was deeply committed to regional economic opportunities. It embraced the diversified growth momentum in Asia, strategically allocated capital to asset management platforms with differentiated competitiveness, strengthened business synergies in the fixed-income sector, established diversified sources of income, and explored opportunities for globalization and Asia-Pacific regional asset allocation. Additionally, the Company actively sought infrastructure notes as investment targets to enrich the variety and diversification of its fixed-income business. A four-in-one investment pattern of "technology empowerment + green transformation + regional cultivation+ alternative allocation" was established. This approach not only maintained strategic determination but also demonstrated tactical flexibility, promoting the simultaneous enhancement of operational quality and counter-cyclical capability.

At the secondary market level, the Company's investment strategy this year focused on achieving a dynamic balance of risk-return ratios. Positive equity investment performance was achieved by accurately navigating the market cycle, successfully reversing the loss for the same period last year. In particular, holdings of Hong Kong and United States underlying stocks were increased to strengthen regional allocation diversification. In the bond investment segment, the Company strategically shifted to high-quality investment grade issuers, realising risk exposure convergence and liquidity release, thereby effectively establishing a more robust portfolio. Overall, the formation of a three-dimensional investment pattern of "resilience driven by equity and fundamentals consolidated by bonds" demonstrated the Company's tactical execution and portfolio rebalancing ability in a volatile market environment, laying the foundation for continued enhancements in capital operations effectiveness.

At the financial performance level, in 2024, the Group achieved significant year-on-year growth in gain derived from its investment portfolio through strategic asset portfolio optimization and precise capital allocation. This was achieved despite narrowing interest and fee income caused by the decline in effective yield of debt investments, and the strategic contraction of fund management scales, and the impact of regional business portfolio adjustments. Leveraging the combination of systematic cost reduction and efficiency enhancement efforts with the divestment of underperforming assets and optimization of capital structure, the Group's net profit for the year amounted to approximately HK$223 million, successfully reversing the loss of the previous year. The Group will adhere to its strategy underpinned by the twin drivers of "high value asset allocation + agile cost management" , and continue to enhance its cross-cycle risk resilience through the dynamic asset-liability matching mechanism and a forward-looking stress testing system to build a strong financial foundation for sustainable shareholder value growth.

LOOKING AHEAD

Looking ahead to 2025, there are both challenges and opportunities for the global economy. From a risk perspective, the Trump administration's policy uncertainty and rising trade protectionism may disrupt the efficiency of global supply chains and the direction of investment. Additionally, the United States may slow interest rate cuts due to recurring inflation, exacerbating the risk of capital flow imbalances. However, from an opportunity perspective, loose liquidity driven by policy inertia in major economies will support global demand. As far as China is concerned, GDP growth is expected to maintain in a modest range of 4.5% to 5%, driven by solid fundamentals and new quality productive forces. Although Hong Kong's economy faces dual constraints from geopolitical conflicts and a weakening external demand cycle, it is expected to grow at a moderate pace of 2% to 3%, thanks to its position as a cross-border financial hub and the revival of domestic demand resulting from the declining interest rates.

Against the backdrop of divergent macroeconomic recovery dynamics and industrial restructuring, the Company will enhance its global asset allocation capability by relying on the three strategic pillars of "strategic resilience, risk control and regional value chain penetration".

At the strategic resilience level, the Company will adopt a "global vision + cross-cycle layout" as its core approach, continuing to enhance the dynamic iterative capability of its governance system, optimizing the structural balance of its asset portfolio, and anticipating and hedging against geopolitical and market liquidity risks. It will simultaneously implement the combined strategy of "proactively clearing out underperforming assets and accurately investing in strategic tracks", continuously improving the exit mechanism for non-core assets in conjunction with the asset efficiency assessment system. This will allow the Company to dynamically focus on high-potential areas, ensuring that resource allocation remains synergistic with long-term strategic objectives. By leveraging the strategic synergy of cross-border capital operation platform and industrial integration tools, the Company will select quality targets with a focus on innovation and key values in emerging fields, thereby laying the foundation for cross-cycle resilience and strategic transitional linkage.

At the risk management and control level, the Company will strengthen the diversified allocation of assets and establish a multi-dimensional risk management framework. Furthermore, the Company will establish a comprehensive, business-wide internal control mechanism and an all-rounded risk management system to ensure compatibility between business development and standardized operations, providing support for the healthy and stable growth of its business.

At the regional enhancement level, the Company will focus on structural growth opportunities in the Asia Pacific region. Leveraging Hong Kong's competitive edge as an offshore hub, the Company will explore industrial upgrading in Southeast Asia's emerging markets, cross-border financial innovation in the Guangdong-Hong Kong-Macao Greater Bay Area in China, and healthcare and wellness demand driven by aging population. By connecting regional policies advantages with the demand for industrial upgrading the Company will form a regional linkage revenue network. In the industrial dimension, it will create a positive interaction between technological mergers and acquisitions as well as operation empowerment, constructing a progressive development path of "technological mergers and acquisitions — resource integration — ecological co-construction". This will enable the Company to achieve a composite layout of vertical extension and horizontal synergy within the industrial chain. In doing so, the Company will complete its transformation from financial investment to industrial value creation and build a cross-regional value transmission network.

The three strategic pivots are synergistic with each other and will provide solid support for the Company's global market layout. By enhancing its global asset allocation capability, the Company will achieve risk diversification across different markets and asset categories, mitigating the impact of volatility in any single market. Meanwhile, the diversified asset allocation strategy will help the Company achieve high-quality, sustainable development goals and align with coordinated economic, social and environmental development.

FINANCIAL REVIEW

For the year ended 31 December 2024, the consolidated revenue of the Group was approximately HK$109,392,000 (2023: HK$114,385,000), representing a slightly decrease of approximately 4% as compared with the corresponding year in 2023, mainly due to decrease in interest income arising from reduction in effective yield of certain debt investments for the year under review.

The analysis of the Group's total revenue recognised in the consolidated statement of profit or loss for the years ended 31 December 2024 and 2023 is as follows:

	2024	2023	Change
	HK$'000	*HK$'000*	
Interest income	**62,400**	76,241	(18%)
Commission and fee income	**21,036**	26,760	(21%)
Investment income	**25,956**	11,384	128%
Total revenue	**109,392**	114,385	(4%)

The Group recorded a profit of approximately HK$223,196,000 for the year ended 31 December 2024, as compared to a loss of HK$23,561,000 for the year ended 31 December 2023. The turnaround to profit was mainly attributable to a significant net gain on investments of approximately HK$436,481,000 for the year ended 31 December 2024 as compared to a net gain of HK$81,810,000 for the year ended 31 December 2023. The effect of the aforesaid factor is partially offset by an increase in staff costs and related expenses for the year ended 31 December 2024 as compared to 2023.

The table below presents the breakdown of segment revenue (including net gain on financial assets/liabilities) and reportable segment results for the years ended 31 December 2024 and 2023:

	Segment revenue and net gain on financial assets/ liabilities		**Segment results**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Asset management	**14,991**	17,259	**3,656**	(4,383)
Securities brokerage	**9,167**	7,697	**(31,350)**	(3,972)
Investment holding	**501,681**	149,016	**456,378**	57,613
Total	**525,839**	173,972	**428,684**	49,258

Asset management segment

The Group's asset management business represents the provision of asset management services to clients. The Group's asset management segment recorded revenue of approximately HK$15.0 million for the year ended 31 December 2024 as compared to HK$17.3 million for the year ended 31 December 2023 and profit of approximately HK$3.7 million for the year ended 31 December 2024 as compared to a loss of HK$4.4 million for the year ended 31 December 2023. The decrease in segment revenue was primarily due to the decrease in asset management fee income arising from the reduction of average aggregated net value of assets under management, while the turnaround from loss to profit was mainly due to the decrease in segment operating costs during the year under review.

Securities brokerage segment

The Group's securities brokerage business mainly includes the provision of brokerage services, securities margin financing to clients, underwriting services to corporate clients for their fund raising activities in equity and debt capital market, financial advisory and financial arrangement services to clients. For the year ended 31 December 2024, the revenue contributed by the securities brokerage segment increased to approximately HK$9.2 million, while the loss increased to approximately HK$31.4 million, as compared to the revenue and loss of HK$7.7 million and HK$4.0 million, respectively, for the year ended 31 December 2023. The increase in segment revenue was mainly due to the increase in interest income from margin financing, while the increase in loss was principally attributable to the provision of impairment on margin receivables during the year under review.

Investment holding segment

The Group's investment holding business mainly represents direct investments in investment funds, listed and unlisted debts and equities, alternative investments (such as real estate investments through investment funds) and private equities, and provision of loan financing services.

The Group's investment holding segment recorded revenue (including net gain on financial assets/liabilities) of approximately HK$501.7 million for the year ended 31 December 2024 as compared to HK$149.0 million for the year ended 31 December 2023 and profit of approximately HK$456.4 million for the year ended 31 December 2024 as compared to HK$57.6 million for the year ended 31 December 2023. The increase in segment revenue and results was mainly due to the net impact of (i) net gain on financial assets/liabilities of approximately HK$436.5 million recorded for the year ended 31 December 2024 as compared to HK$81.8 million recorded for the year ended 31 December 2023 as a result of the increase in fair value of certain unlisted investments and listed equity and debt investments; (ii) a decrease in provision of impairment of financial assets as a result of slowdown in incline of credit and default risk of debt investments for the year under review; and (iii) partially offset by a decrease in interest income arising from reduction in effective yield of certain debt investments.

The total operating costs (including staff costs, premises expenses, legal and professional fees, depreciation, information technology expenses, finance costs, trading costs and other operating costs) for the year ended 31 December 2024 was approximately HK$217,822,000 (2023: HK$146,906,000), representing an increase of approximately 48.3% which was primarily due to the increase in staff costs arising from share-based payment expense and partially offset by the effective cost control measures implemented by the Group on the overall operating expenses for the year ended 31 December 2024.

On financial position and cash flows:

— the Group's total assets were approximately HK$4,729,696,000 as at 31 December 2024 (as at 31 December 2023: HK$4,318,496,000), representing an increase of approximately 9.5%; and

— net cash (outflows)/inflows from operating activities, investing activities and financing activities were approximately HK$(218,525,000), HK$(8,114,000) and HK$(29,024,000) respectively for the year ended 31 December 2024 (2023: HK$(313,122,000), HK$(27,023,000) and HK$17,921,000 respectively).

Key financial and business performance indicators

The key financial and business performance indicators of the Group are comprised of profitability; loan receivables; impaired loan receivables to total loan receivables ratio; and gearing ratio.

The Group recorded a profit attributable to owners of the Company of approximately HK$222,816,000 for the year ended 31 December 2024 as compared to a loss of HK$24,834,000 for the year ended 31 December 2023.

Loan and interest receivables balance arising from lending business decreased to approximately HK$118,175,000 as at 31 December 2024 (as at 31 December 2023: HK$209,886,000).

Based on HKFRS 9 ECL assessment on margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables and other interest receivables, the Group recognised an aggregate ECL allowance of approximately HK$39,179,000 in consolidated statement of profit or loss for the year ended 31 December 2024 (2023: HK$49,389,000). ECL allowances to total margin receivables, loan and interest receivables, financial assets at amortised cost, debt investments at fair value through other comprehensive income, other trade receivables and other interest receivables ratio was approximately 71.4% as at 31 December 2024 (as at 31 December 2023: 76.9%). The Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its loan receivables and to take prompt actions to pursue loans recovery regarding potential problem credits.

As at 31 December 2024, the Group's gearing ratio (defined as total debt to total equity) was 0% (as at 31 December 2023: 0.7%). The Group strives to achieve appropriate leverage level in order to grow its business effectively, and at the same time continue to monitor its liquidity prudently, manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's cash and bank balances amounted to approximately HK$419,733,000 (as at 31 December 2023: HK$689,636,000). The current ratio as at 31 December 2024 was approximately 414.1% (as at 31 December 2023: 489.5%), which indicated that the Group's overall financial position remained strong.

The Directors are of the opinion that there are sufficient financial resources for the Group to meet its obligations and business requirements.

OPERATIONAL REVIEW

Funding, capital structure and capital management

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable costs to meet all contractual financial commitments and to generate reasonable returns from available funds. The Group has implemented adequate measures to monitor the liquidity for business operations and any investment opportunities, and the foreseeable funding requirements to ensure certain subsidiaries of the Company continuously comply with the relevant rules and regulations.

The Group relies principally on its share capital, internally generated capital and other borrowings to fund its investments and loan lending business. The Group had no interest bearing borrowings as at 31 December 2024 (as at 31 December 2023: HK$27,639,000 in the form of repurchase agreements). Based on the level of total debt to total equity of the Group, the Group's gearing ratio stood at a healthy level of 0% as at 31 December 2024 (as at 31 December 2023: 0.7%). During the year under review, the Group's borrowings were mainly denominated in US dollars and had remaining average maturity period of less than one year. The Group's cash and cash equivalents were mainly denominated in Hong Kong dollars, US dollars, Renminbi, Japanese Yen and Canadian dollars. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the year under review.

Asset quality and credit management

The Group will continue to manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management. Based on HKFRS 9 ECL assessment on loan and interest receivables, margin receivables, financial assets at amortised cost, debt instruments at fair value through other comprehensive income, other trade receivables and other interest receivables, the Group recognised a provision for/(reversal of) ECL allowances of approximately HK$234,000, HK$34,021,000, HK$(1,113,000), HK$(796,000), HK$Nil and HK$6,833,000 respectively in consolidated statement of profit or loss for the year ended 31 December 2024 (2023: HK$3,044,000, HK$Nil, HK$4,187,000, HK$31,450,000, HK$2,800,000 and HK$7,908,000 respectively).

Furthermore, the Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its financial assets. Further, the Group's investments and cash and bank balances are placed with a diversified portfolio of reputable financial institutions.

Human resources management

The objective of the Group's human resources management is to reward and recognise well performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group. Staff enrolled in external training courses, seminars, professional and technical courses in order to update their technical knowledge and skills, to increase their awareness of the market developments, and to improve their management and business skills.

EXPOSURE TO EXCHANGE RATE FLUCTUATION AND RELATED HEDGING

The Directors consider that the Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in foreign currencies other than its functional currency, which is Hong Kong dollars. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency should the need arises.

STAFF AND REMUNERATION POLICY

As at 31 December 2024, the Group had 48 employees (as at 31 December 2023: 64 employees).

The employees are remunerated based on their work performances, professional experiences and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management.

CHARGES ON GROUP'S ASSETS

The analysis of the charge on Group's assets is as follows:

	2024	2023
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss	–	75,233
Total charges on Group's assets	–	75,233

As at 31 December 2024, the Group did not have any charges on Group's assets. As at 31 December 2023, certain bonds classified as financial assets at fair value through profit or loss were pledged as collateral for the Group's borrowings.

CONTINGENT LIABILITIES

Details of the Group's contingent liabilities as at 31 December 2024 and 2023 are set out in note 15 to this announcement.

CAPITAL COMMITMENTS

The Group has entered into contracts to commit investing into certain unlisted investment funds. The aggregate non-cancellable capital commitment as at 31 December 2024 amounted to approximately HK$12,366,000 (as at 31 December 2023: HK$260,656,000).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

After trading hours of the Stock Exchange on 27 September 2024, the Company as warrantor and CM Strategic Investment Management Holding Limited (an indirect wholly-owned subsidiary of the Company) as purchaser ("Purchaser") entered into two sale and purchase agreements with each of TW One Limited ("Vendor A") and Darth Holdings Limited ("Vendor B") (as vendors) respectively, pursuant to which Vendor A agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of Templewater One Limited ("Target Company A"), and Vendor B agreed to sell, and the Purchaser agreed to acquire, the entire issued share capital of Mighty Commander Limited ("Target Company B", together with Target Company A, the "Target Companies").

The Target Companies are special purpose vehicles of the Vendors, respectively, with each of their principal assets being investments in the approximately 15,775 class B shares in SC Lowy Partners (Cayman) Ltd. (a company incorporated in the Cayman Islands with limited liability) in aggregate.

The aggregate consideration payable by the Company to the Vendors was US$23,500,000 (equivalent to approximately HK$183.3 million) and had been satisfied as to (i) US$7,050,000 (equivalent to approximately HK$55.0 million) in cash; and (ii) US$16,450,000 (equivalent to approximately HK$128.3 million) by way of the allotment and issue of the 2,467,500,000 consideration shares by the Company.

On 7 October 2024, such 2,467,500,000 consideration shares were allotted and issued at the issue price of HK$0.052 per consideration share under the general mandate granted to the Directors by the shareholders of the Company at the annual general meeting of the Company held on 28 June 2024.

For details, please refer to the Company's announcement dated 27 September 2024 and published on 29 September 2024.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2024.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions (the "Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules.

Reference is made to the announcement of the Company dated 13 March 2024 (published on 14 March 2024) in relation to the resignation of independent non-executive Directors. Following the resignation in the board members as disclosed in the announcement, the Company had (i) two independent non-executive Directors, which was below the minimum requirement of at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (ii) the audit committee of the Company (the "Audit Committee") was below the minimum requirement of three members under Rule 3.21 of the Listing Rules; (iii) the nomination committee of the Company (the "Nomination Committee") had two executive Directors and two independent non-executive Directors which did not meet the composition requirement of having a majority of independent non-executive directors under Rule 3.27A of the Listing Rules.

As a remedial measure, the Board had used its best effort to identify suitable candidates to fill the vacancy of an independent non-executive director and appointed Mr. Sun Junchen ("Mr. Sun"), Mr. Ko Ming Tung, Edward ("Mr. Ko") and Mr. Wong Ka Wai ("Mr. Wong") as the independent non-executive directors of the Company on 22 March 2024. Following the appointment of each of Mr. Sun, Mr. Ko and Mr. Wong as members of each of the Audit Committee and Nomination Committee, the Company is in compliance with the requirements of (i) including at least three independent non-executive directors on the Board under Rule 3.10(1) of the Listing Rules; (ii) the Audit Committee comprising a minimum of three members under Rule 3.21 of the Listing Rules; and (iii) the Nomination Committee comprising a majority of independent non-executive directors under Rule 3.27A of the Listing Rules.

In addition, reference is made to the announcement of the Company dated 8 April 2024, Ms. Du Lina resigned as an executive Director and the Board comprised only male Directors on the same day, which resulted in the Company not meeting the gender diversity requirement under Rule 13.92 of the Listing Rules upon her resignation. On 13 December 2024, the Company appointed Ms. Cao Jianmei as an executive Director and has complied with the requirement under Rule 13.92 of the Listing Rules regarding the gender diversity of the Board.

Save as disclosed above, the Company has complied with the Code Provisions of the CG Code throughout the year end 31 December 2024.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

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 Directors' securities transactions. All the Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standards as set out in the Model Code throughout the year ended 31 December 2024.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code throughout the year ended 31 December 2024.

AUDIT COMMITTEE

Composition

The Company established an Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. As at 31 December 2024, the Audit Committee consisted of four independent non-executive Directors, namely Mr. Wong Ka Wai (chairman), Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward and Mr. Sun Junchen respectively. The Audit Committee meets twice a year on a half year basis, or more frequently if required.

Functions and Role

The primary functions of the Audit Committee are, inter alias, to assist the Board in fulfilling its overseeing responsibilities with respect to maintaining appropriate relationship with external auditor, and, to review the annual and interim report and other financial information provided by the Company to its shareholders, the public and other matters within the scope of the terms of reference. The terms of reference setting out the Audit Committee's authority, duties and responsibilities are available on both the websites of the Company and the Stock Exchange.

In discharging its responsibilities, the Audit Committee performed the following work during the year of 2024:

(i) reviewed the effectiveness of audit process in accordance with applicable standards;

(ii) reviewed the consolidated financial statements and reports and the change in accounting principles and policies and assessment of potential impacts on the Group's consolidated financial statements;

(iii) reviewed the Group's risk management and internal control systems and discussed the relevant issues including financial, operational and compliance controls; and

(iv) reviewed the internal control matters reported by internal auditor and external auditor and ensure the Board will provide a timely response to the issues raised therein.

During the year ended 31 December 2024, 5 Audit Committee meetings were held including two meetings with the external auditors without the presence of the executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, Forvis Mazars CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Forvis Mazars 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Forvis Mazars CPA Limited on the preliminary announcement.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The auditor has issued a qualified opinion in the independent auditor's report on the consolidated financial statements of the Group for the year ended 31 December 2024. The details of which are extracted as follows:

"Qualified Opinion

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

Basis for Qualified Opinion

Investment in an unlisted investment fund

As disclosed in note 20 to the consolidated financial statements, the Group invested in 50% interest in a fund (the "Fund F") which is managed by an external fund manager (the "Fund Manager E") and has been accounted for as financial asset at fair value through profit or loss as at 31 December 2024. The original cost of investment in the Fund F amounted to approximately HK$77,981,000. As at 31 December 2024, the carrying value of the Fund F was approximately HK$60,219,000 (2023: approximately HK$67,976,000) with a fair value loss of approximately HK$7,757,000 (2023: approximately HK$5,891,000) recognised in the consolidated statement of profit or loss during the year ended 31 December 2024 in respect of the Fund F.

As explained in note 20 to the consolidated financial statements, during the year ended 31 December 2024 and up to the date of approval of the consolidated financial statements, after taking active measures, the Group successfully obtain sufficient documentary evidence including the financial information and the valuation of the underlying assets of the Fund F as at 31 December 2024 from the Fund Manager E.

Despite the above, given the lack of sufficient appropriate audit evidence to evaluate the fair value of the Fund F (including the underlying investments of the Fund F) as at 31 December 2023, we were unable to verify the opening carrying value of the Fund F as at 1 January 2024 and the timing of the relevant loss on investment recognised in relation to the Fund F. Therefore, we were unable to determine whether any adjustments to the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment recognised in respect of the Fund F for the years ended 31 December 2023 and 2024 were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2024.

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

Report on Other Matters under Sections 407(2) and 407(3) of the Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding whether any adjustments were necessary on the opening carrying value of the Fund F as at 1 January 2024 and the relevant fair value loss on investment for the years ended 31 December 2024 and 2023 as described in the Basis for Qualified Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and

- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit."

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 28 March 2025, the Board proposed to implement the share consolidation on the basis that every twenty (20) issued existing shares ("Existing Shares") be consolidated into one (1) consolidated share ("Consolidated Share" and "Share Consolidation", respectively). The Board also proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed ("Board Lot Size Change") from 10,000 Existing Shares to 5,000 Consolidation Shares.

As part of the business to be transacted at the 2025 annual general meeting (the "2025 AGM") of the Company, the 2025 AGM is expected to be convened and held in June 2025 for the shareholders of the Company to consider and, if thought fit, approve the Share Consolidation. Details of the Share Consolidation and Board Lot Size Change are contained in the Company's announcement of "Proposed Share Consolidation and Change In Board Lot Size" dated 28 March 2025.

Saved as disclosed above, as of 31 December 2024 and up to the date of this announcement, there are no other significant events occurred after the reporting period that may affect the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

ANNUAL GENERAL MEETING

The 2025 AGM is expected to be held in June 2025. A further announcement in relation to the date of the 2025 AGM and the closure of register of members will be published in due course in accordance with the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at www.chinavered.com under "Investor Relationship" respectively.

The annual report of the Company for the year ended 31 December 2024 will be dispatched to the shareholders of the Company and be published on the aforementioned websites in due course.

On behalf of the Board
China Vered Financial Holding Corporation Limited
Ng Kian Guan
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises (1) Mr. Li Feng, Mr. Xie Fang, and Ms. Cao Jianmei as executive directors of the Company; (2) Mr. Ng Kian Guan as non-executive director of the Company; and (3) Mr. Cheng Tai Sheung, Mr. Ko Ming Tung, Edward, Mr. Sun Junchen, and Mr. Wong Ka Wai as independent non-executive directors of the Company.