CASH 時富

ANNUAL REPORT
2024

WE STRIDE FORWARD IN UNITY WITH INNOVATIVE CHANGES

Celestial Asia Securities Holdings Limited
(Stock Code : 1049)

Contents

CORPORATE PROFILE

Celestial Asia Securities Holdings Limited ("CASH Group", SEHK: 1049) is a multi-faceted investment conglomerate focusing on enhancing client experience through technology and innovation. Headquartered in Hong Kong, we serve modern consumer needs in investment and wealth management, lifestyle and home improvement. All our businesses share a common mission that our customers' interests always come first. Our brands are synonymous with good customer service, great quality and fabulous value.

Abide by the "People-Oriented" principle, CASH Group is committed to becoming a Total Caring Organisation to partner with our key stakeholders to work towards the sustainable development of our business, our employees, our environment and our society. CASH's award-winning companies comprise Pricerite Group (Pricerite), CASH Financial Services Group (CFSG), CASH Algo Finance Group (CAFG), etc.

RETAIL MANAGEMENT – PRICERITE GROUP

Founded in 1986, Pricerite Group offers a diverse portfolio of home furnishing and lifestyle brands that satisfy our customers' needs through a blend of operating efficiency, effective use of technology, and talented people. We build our competitive advantage by achieving economies of scale through our single operating platform and our in-depth understanding of the market. Businesses comprise sourcing and retailing of quality products with brands such as Pricerite Home, TMF, Pricerite Pet, etc.

Pricerite pioneers to develop "New Retail" in Hong Kong by integrating the very best of online and offline channels to refine the omni-channel retailing, providing customers quality shopping experience anytime, anywhere. This has revolutionised the Hong Kong home furnishing market with easy access to our comprehensive network of outlets and e-shopping channels through a variety of digital devices. We have a long heritage of adopting advanced technologies to enhance our operating efficiency. From back-office support to product and service offerings, marketing communication and supply chain management, we strengthen our competitive edges through a balanced fusion of technology and people.

Pricerite upholds the "People-oriented" principle, and attain leadership by innovation – in product mix, merchandising, store layout and entire market strategy in home improvement product retailing. Our constant efforts to increase our understanding of customers' expectations and needs through the use of information technology to gain accurate and timely data and use of market research tools drive our customer-focused innovations.

At Pricerite, we care for the people of Hong Kong. It's our founding principle and it forms everything we do. That means empowering our customers to care for their homes, their families, and themselves, no matter what life may throw their way. By cultivating a culture of caring, we inspire our customers to impart our values to the world.

Honouring a celebrated Hong Kong brand, Pricerite has received wide recognitions for its exceptional performance in various aspects such as brand management, product design, quality services and e-shopping platforms. As a result, many high acclaims have been awarded to its brands, including the Hong Kong Top Brand 10 Year Achievement Award and Premier Service Brand from the Hong Kong Brand Development Council, Consumer Product Design Award from the Hong Kong Awards for Industries, Bronze Award of Marketing Excellence Awards from HKMA/TVB, Q-Mark Elite Brand Award from Hong Kong Q-Mark Council, Outstanding QTS Merchant Awards – Gold Award from Hong Kong Tourism Board, and Top 10 Quality E-Shop Award, Top 10 O2O Retail Brand, Retail Excellence Award and numerous Service and Courtesy Awards from the Hong Kong Retail Management Association, etc.

Pricerite cares for the environment and is committed to protecting it hand in hand with our stakeholders, minimising the impact of our operations to the environment. Through the sourcing of eco-products, adoption of retail technologies and active participation in various environmental activities, Pricerite takes its initiative to develop a sustainable society with customers. Pricerite has received numerous awards for the recognition of its contribution to environmental protection, including Silver Award in Shops and Retailers sector under the Hong Kong Awards for Environmental Excellence, Sustainable Business Award from World Green Organisation (WGO), BOCHK Corporate Environmental Leadership Awards: EcoChallenger from Federation of Hong Kong Industries (FHKI), etc.

CORPORATE PROFILE

FINANCIAL SERVICES – CFSG

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

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

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

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

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

At Forefront of FinTech, Innovating Financial Services

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

Professional Management with Wide Range of Expert Experience

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

Algo Trading – CASH Algo Finance Group (CAFG)

Established in 2009, CAFG is a pioneer in embracing financial technology (FinTech) to offer innovative wealth management products in Asia. CAFG marries quantitative finance with algo trading to deliver superior and sustainable investment return for our investors. The Company constantly develops new strategies, validates them via proprietary trading, and provides cutting-edge solutions to asset management firms, seeking for long-term capital growth.

As a pioneer in quantitative finance and algo trading in Asia, we understand the importance of a low-latency platform integrated with a robust real-time risk management system. In addition to serving existing strategies in multiple markets with our proprietary and scalable platform, CAFG is expanding its trading strategies to new markets with cutting-edge algorithmic technologies to optimise risk-adjusted returns across a broad range of asset classes.

We also provide an algo incubation service to assist algo traders, quant strategists, and academia dedicated to researching, developing, testing, and launching their trading ideas. CAFG has established a proprietary one-stop platform for the entire investment lifecycle, supporting data analytics, strategy deployment, smart execution, and robust risk management.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive:

KWAN Pak Hoo Bankee	(Chairman, ED & CEO)
LEUNG Siu Pong James	(ED)
KWAN Teng Hin Jeffrey	(ED)
CHEUNG Tsz Yui Morton	(ED & CFO)
KWAN Iec Teng Janet	(ED)

Independent Non-executive:

LEUNG Ka Kui Johnny
WONG Chuk Yan
CHAN Hak Sin

AUDIT COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
CHAN Hak Sin

REMUNERATION COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
KWAN Pak Hoo Bankee

NOMINATION COMMITTEE

KWAN Pak Hoo Bankee (committee chairman)
LEUNG Ka Kui Johnny
CHAN Hak Sin

COMPANY SECRETARY

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

AUTHORISED REPRESENTATIVES

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

PRINCIPAL BANKERS

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

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

Sidley Austin

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.cash.com.hk

STOCK CODE ON MAIN BOARD

1049

CONTACTS

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CHAIRMAN'S LETTER

Dear Fellow Shareholders,

The year 2024 presented a host of challenges for the global economy. Sluggish growth, persistent inflation, and prolonged high interest rates created a difficult environment. Geopolitical tensions and disruptions in trade further strained supply chains and unsettled financial markets, dampening both consumer and business confidence. These factors combined to foster an atmosphere of uncertainty and instability.

In Hong Kong, these global headwinds were keenly felt. The strong Hong Kong dollar added to the strain on our trade and financial sectors, while also weighing heavily on the property and stock markets. As a result, Hong Kong's 2024 GDP growth slowed to 2.5%, down from 3.2% in 2023. Private consumption fell by 0.6% year-on-year, reflecting changing consumer behaviours, increased outbound travel, and cross-border shopping, all of which impacted local retail and financial markets.

PRICERITE GROUP – A RESILIENT INNOVATOR IN HOME FURNISHING

Hong Kong's retail sector faced significant hurdles in 2024, with weak consumption and subdued economic conditions contributing to a 7.3% drop in retail sales compared to the previous year and a 22.3% decline from 2018 levels. Consumer confidence eroded, and the furniture retail segment was particularly hard-hit, with sales declining by 14.4%. This was driven by a cooling residential property market and tempered expectations for U.S. interest rate cuts. Since their peak in 2021, property prices in Hong Kong have fallen by 27%, and the furniture retail sector has contracted by 25% since 2018.

Despite these challenges, I am proud to share that Pricerite successfully reduced losses by nearly half compared to the previous year. This achievement reflects our proactive management and strategic adaptability. To navigate these uncertain times, we implemented a series of forward-thinking initiatives aimed at reinforcing resilience and laying the groundwork for sustainable growth. These efforts included cost rationalisation, supply chain enhancements, and a focus on product innovation, ensuring that we stayed nimble and prepared for future opportunities.

Strategic Initiatives and Achievements

During the year, we were dedicated to enhancing our operations in the Greater Bay Area (GBA). We upgraded our Shenzhen facilities to serve as a logistics and merchandising hub, leveraging the region's infrastructure and supplier networks to reduce lead times and improve efficiency. Additionally, we consolidated underperforming stores, optimised workflows, and relocated our warehouse to the GBA to further streamline operations.

On the other hand, we remained committed to meeting shifting needs of our customers. Recognising evolving consumer preferences, we reimagined our product mix to focus on space-saving, value-for-money solutions. This allowed us to help customers enhance their living environments while keeping costs manageable. Simplified promotions and consistent everyday low prices resonated with price-conscious consumers.

Digital transformation is essential for businesses to stay competitive, improve efficiency, and drive growth in today's digital economy. Pricerite's online business grew by 6.7%, despite a 12.3% decline in Hong Kong's overall online-merge-offline (OMO) retail market. Our revamped store layouts and improved rental productivity boosted sales per square foot, while our digital transformation efforts ensured we remained competitive in the growing e-commerce space.

Looking Ahead, the global economic outlook remains uncertain, with the U.S. 2025 tariff policy posing significant risks to trade stability and global growth. However, positive developments in Hong Kong offer reasons for cautious optimism. A general downtrend in interest rates, continued economic growth, and an influx of talent are expected to support stable growth in the residential property market.

Going forward, we are dedicated to further strengthening our resilient and agile retail chain, positioning it for long-term growth by effectively leveraging the current overcapacity of global manufacturers, particularly those in Mainland China.

We consider the existing overcapacity in the global supply chain to be a unique opportunity to optimise procurement costs. We are actively using this situation to negotiate more favourable pricing and terms with our suppliers while seeking new partnerships. At the same time, we remain committed to ensuring that all products meet the highest quality standards and customer needs.

CHAIRMAN'S LETTER

The dynamic nature of global trade demands vigilance and adaptability. We are closely monitoring trade barriers, tariffs, and other restrictions that could influence the flow of goods, ensuring that we are well-prepared to address any challenges.

With these strategies in place, we are committed to building a supply chain that is both robust and flexible, ensuring our business remains agile in the face of challenges and well-positioned to seize future opportunities.

Going forward, we remain cautiously optimistic. While the global economy faces uncertainties, Hong Kong's economic recovery and government plans to deliver 190,000 new residential units over the next five years offer opportunities for growth in the furniture and home improvement sectors.

On the other hand, the growing stay-at-home economy continues to drive demand for furniture and household products, as consumers prioritise enhancing their living environments over luxury purchases.

Pricerite's strong local knowledge, innovative multi-functional furniture solutions, and cost optimisation measures have laid a solid foundation for seizing these opportunities. By delivering value-for-money solutions and hassle-free after-sales services, Pricerite is well-positioned to address the evolving needs of consumers and achieve long-term sustainability.

CASH FINANCIAL SERVICES GROUP – THE TRUSTED ADVISOR IN WEALTH AND INVESTMENT

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

Navigating Challenges, Seizing Opportunities

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

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

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

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

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

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

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

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

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

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

CHAIRMAN'S LETTER

Looking to the Future

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

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

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

Yours sincerely,

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

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the year ended 31 December 2024, the Group recorded revenue and net loss attributable to owners of the Company of HK$883.7 million and HK$58.3 million, respectively, as compared to revenue of HK$1,016.4 million and net loss attributable to owners of the Company of HK$108.0 million, respectively, for 2023. The decrease in loss was mainly attributable to the decrease in segment losses of the Group's retailing business and other financial services business.

Retailing Business –PRICERITE GROUP

Hong Kong retail industry has continued to face substantial challenges in 2024. Despite a robust recovery in visitor arrivals, with approximately 44.5 million visitors in 2024, representing a 31.0% increase year-on-year, the retail sector has struggled to achieve a robust recovery. This is partly due to a surge in local outbound travel, which increased by 23.0% in 2024, driven by a strong Hong Kong dollar and the recovery of airline capacity. This trend has diverted consumer spending away from local retail, contributing to a decline in sales.

Furthermore, while mainland China remains a crucial source of visitors, with around 34 million arrivals in 2024, the impact on retail sales has been limited by changing consumption patterns among these visitors. Additionally, global economic uncertainties and geopolitical tensions have dampened consumer confidence, leading to a decline in retail sales across key categories such as luxury goods and department stores.

In 2024, total retail sales in Hong Kong are projected to decline by around 7.3% in value and 9.0% in volume year-on-year, with significant drops observed in sectors like motor vehicles and parts, furniture and fixtures, and electrical goods.

Moreover, the ongoing downturn in Hong Kong's property market is significantly impacting retail sales of furniture and fixtures. Centa-City Leading Index experienced a decline of approximately 6.5% in 2024, following a cumulative decrease of 27.0% since its peak in Sep 2021. This downward trend in property prices has triggered a negative wealth effect, reducing household disposable income and leading consumers to be more cautious in their spending. Specifically, this has resulted in decreased spending on furniture and household items, as consumers are less inclined to invest in these categories when their wealth is perceived to be diminishing.

The decline in property values has also been exacerbated by high interest rates, which have increased mortgage costs and further dampened market sentiment. Although the rental market has shown resilience, with rents increasing by 1.6% in the first half of 2024, the overall property market remains challenging due to an abundance of supply and ongoing economic uncertainties.

In response to these challenges, Pricerite Group have implemented various strategic initiatives aimed at enhancing sales and gross margins while optimizing operational efficiency. These efforts include targeted marketing campaigns, strategic management of store portfolios, and cost control measures.

Pricerite Group incurred a significant one-off expense of HK$15.0 million in 2024, which was integral to its comprehensive cost control measures aimed at restructuring and optimising operations for long-term sustainability. For the year ended 31 December 2024, Pricerite Group reported a revenue of HK$831.0 million and a net loss of HK$10.2 million. This compares to a revenue of HK$958.5 million and a segment loss of HK$19.3 million for the retailing segment in 2023. These figures reflect the Group's ongoing efforts to refine its operations and position itself for future growth, despite the challenging retail environment.

Investment Management Business – CAFG

Amid persistent geopolitical uncertainties and elevated global interest rates, financial markets have experienced heightened volatility. Despite these challenging conditions, our proprietary trading portfolios have effectively navigated market fluctuations, focusing on opportunities within the energy and precious metals sectors, alongside interest rate movements. This strategic agility has enabled us to achieve double-digit returns and significantly outperform our market peers. Our investment management business delivered solid performance, reporting revenue of HK$6.9 million and a net profit of HK$10.4 million for the year ended 31 December 2024 as compared to revenue of HK$4.7 million and a net profit of HK$3.8 million in 2023.

Other Financial Services Business – CFSG (Excluding Investment Management Business through CAFG)

While the Hong Kong capital market experienced relative sluggishness, the Group strategically focused on expanding its wealth management and family office footprint within the Greater Bay Area (GBA) and other major cities in the PRC, along with key talent acquisitions to enhance its wealth management business. CFSG reported revenue of approximately HK$45.7 million, representing a slight decrease from the previous year's HK$53.2 million. Key revenue streams included broking income of HK$11.8 million (2023: HK$14.1 million), wealth management services of HK$6.6 million (2023: HK$6.6 million), investment management services of HK$5.1 million (2023: HK$4.5 million), interest income of HK$17.7 million (2023: HK$24.7 million), and handling and other services of HK$4.5 million (2023: HK$3.3 million).

Despite stable income from wealth management services, broking income saw a decrease of 16.3% due to the sluggish Hong Kong market. To enhance profitability and efficiency, CFSG actively managed its resources by reallocating idle cash to term deposits. Furthermore, impairment charges decreased significantly due to stringent credit control and improved collateral valuations. Despite these efforts and a better performance from investment management services, the Group recorded a net loss attributable to the owners of the Company of approximately HK$37.0 million, although this was a notable improvement compared to the HK$95.9 million loss in the previous year.

Impairment Allowances

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

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

The accounts receivables arising from margin financing are collateralised by pledged shares of margin clients. As at 31 December 2024, the Group had concentration of credit risk on the accounts receivables from margin clients as the aggregate balances with the three largest clients represent approximately 46.3% (2023: 54.8%) of total accounts receivables. During the year, margin financing with the total gross carrying amount of approximately HK$80.3 million as at 31 December 2024 (2023: HK$82.9 million) was assessed as credit-impaired state mainly due to further decline in the market price of listed securities pledged as collateral in the year and failure of the margin borrowers to fully make up the margin shortfall by providing additional collaterals or repayment. Impairment provision net of reversal with a total amount of approximately HK$0.5 million (2023: HK$43.3 million) was made for the year.

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

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

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

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's equity attributable to owners of the Company amounted to HK$53.0 million as at 31 December 2024 as compared to HK$116.0 million at the end of the previous year. The decrease in equity was mainly due to net loss reported for the year. As at 31 December 2024, the Group had total outstanding borrowings of approximately HK$259.2 million as compared to HK$339.6 million as at 31 December 2023. The decrease in borrowings was mainly due to repayment of related party borrowings as at 31 December 2024. The borrowings were mostly denominated in Hong Kong dollars comprising unsecured loans of approximately HK$170.0 million and secured loans of approximately HK$89.2 million. The above bank loans of approximately HK$85.9 million were secured by the Group's pledged deposits of HK$32.8 million and corporate guarantees. As at 31 December 2024, our cash and bank balances totalled HK$477.5 million as compared to HK$633.6 million at the end of the previous year. The decrease in cash and bank balances was mainly due to the reduction in bank balances in the trust and segregated accounts and operating loss incurred during the year. The Group derives its revenue mainly in Hong Kong dollars and maintains its cash and bank balances mainly in Hong Kong dollars. The liquidity ratio as at 31 December 2024 was at 1.0 times remained the same as compare to 1.0 times as at 31 December 2023. The gearing ratio, which represents the ratio of interest bearing borrowings excluding lease liabilities of the Group divided by the total equity, was 269.7% as at 31 December 2024 as compared to 201.0% as at 31 December 2023. The increase in gearing ratio was mainly due to the loss incurred during the year. On the other hand, we have no material contingent liabilities at the end of the year. The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all time throughout the year. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been duly complied.

Foreign Exchange Risks

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

Material Acquisitions and Disposals

The Group did not have any material acquisition and disposal during the year.

Fund Raising Activities

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

Capital Commitment

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

Material Investments

The market value of financial assets at FVTPL increased from HK$42.0 million as at 31 December 2023 to approximately HK$46.1 million as at 31 December 2024. A net gain on financial asset at FVTPL of HK$23.1 million (2023: HK$1.4 million) was recorded for the year. We do not have any future plans for material investments, or addition of capital assets.

FINANCIAL REVIEW

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(HK$'m)	**2024**	**2023**	**% change**
Retail	**831.0**	958.5	(13.3%)
Investment management	**6.9**	4.7	46.8%
Other financial services	**45.8**	53.2	(13.9%)
Group Total	**883.7**	1,016.4	(13.1%)

Key Financial Metrics

	2024	**2023**	**% change**
The Group			
Loss for the year attributable to owners of the Company (HK'$m)	**(58.3)**	(108.0)	(46.0%)
Loss per shares (HK cents)	**(72.2)**	(133.8)	(46.0%)
Total assets (HK$'m)	**1,031.7**	1,317.7	(21.7%)
Bank balances and cash (HK$'m)	**477.5**	633.6	(24.6%)
Borrowing (HK$'m)	**259.2**	339.6	(23.7%)
Retailing			
Revenue per sq.f.t (HK$)	**3,849.0**	3,793.0	1.5%
Growth for same stores (vs last year)	**(1.1%)**	6.4%	N/A
Inventory turnover days	**20.6**	30.2	(31.8%)
Investment management			
Net gain of financial assets at FVTPL (HK$'m)	**21.3**	10.7	99.1%
Other Financial Services			
Annualised average fee income from broking per active client (HK$'000)	**1.2**	1.4	(14.3%)

RETAIL MANAGEMENT BUSINESS – PRICERITE GROUP

Economic and Industry Review

In 2024, Hong Kong's retail sector faced a challenging operating environment shaped by a convergence of global and local economic pressures. Retail sales suffered a significant decline, with the total sales value dropping by 7.3% compared to the previous year and a drastic decrease of 22.3% against the 2018 total retail sales.

Shifting consumer behaviour, such as Mainland Chinese visitors favouring cultural and experiential consumption, and the strong Hong Kong dollar further dampened retail sales. Increased outbound travel by residents and cross-border shopping in Shenzhen weakened local consumption, while global uncertainties and geopolitical tensions compounded the strain on consumer confidence.

Furniture retail sales faced even greater challenges in 2024, with total sales plummeting by over 14.4% due to a subdued residential property market. This decline was driven by the reduced likelihood of US interest rate cuts. Since their peak in September 2021, property prices in Hong Kong have fallen by 27%, while the furniture retail sales market has contracted by 25% since its peak in 2018.

Business Review

Despite these challenges, Pricerite implemented proactive measures to strengthen resilience. These strategies included include strategic relocation of its warehouse and logistic centre to the Greater Bay Area (GBA), consolidation of non-performing stores, streamlining manpower and operating workflow and other cost controls. At the same time, Pricerite focused on bolstering its long-term core competencies by reinforcing its foothold in the Greater Bay Area (GBA).

These efforts enabled Pricerite to narrow its segment loss from HK$19.3 million in 2023 to HK$10.2 million in 2024.

Understanding the subdued economic climate, Pricerite prioritised offering customers value-for-money products and solutions to household and space management issues. As Hong Kong's space management specialist, Pricerite and TMF have developed different customised furniture solutions and services, from the most affordable tailor-size furniture (TSF) services to fully tailor-made solutions.

In Q2 2024, Pricerite expanded its furniture alteration service named tailor-size furniture (TSF), becoming the only retailer in Hong Kong to offer such complete and comprehensive alteration service. This service allows almost all ready-made furniture in-store to be tailored to various layouts in Hong Kong's limited living spaces with the most affordable fees. The innovative ready-made room divider solution "間房易" was also introduced to cater to primarily targeting public housing customers. It offers a quick and affordable partitioning option, eliminating the relatively higher cost and longer delivery lead time associated with tailor-made solutions.

In addition, Pricerite continued its product development efforts by strengthening private label and house brand products with new features, ranges, and materials. These included both furniture and household items, providing customers with more value-for-money choices.

In response to the general consumption downgrade phenomenon, we have undertaken a comprehensive overhaul of our pricing and promotion strategies. By simplifying our promotions and consistently offering everyday low prices, we aim to communicate more effectively with price-conscious consumers through increasingly attractive price points. As a result, almost all our products now feature reduced standard prices. This achievement is a testament to our diligent efforts in lowering costs with suppliers and factories while maintaining the same high product quality, ultimately delivering the best value to our customers. To complement this pricing strategy, we launched a major marketing campaign that generated significant market buzz, increased interest in our product pricing, and boosted customer traffic and consideration.

During the year, Pricerite invested in online and offline platforms to create a seamless shopping experience. These efforts aimed at increasing conversion rates and strengthening market position.

In response to the shift in Hong Kong consumers' behaviour towards cross-border shopping, we have revamped our store layouts to optimize rental productivity, resulting a boost in sales per square foot. This improvement was achieved through a deep analysis of sales data, which revealed a continued preference among consumers for shopping at a trusted local retailer for large furniture. Consequently, we expanded our store display of furniture to better meet these preferences.

Despite the retail market downturn, with the Hong Kong online-merge-offline (OMO) market declining by 12.3% compared to last year, Pricerite's online business achieved a 6.7% growth. This resilience reflects the effectiveness of our strategies in a challenging environment. Growth was largely driven by more new online customers, content optimisation, reducing purchasing uncertainties, and improving conversion rates. Additionally, AI-powered enhanced product contents contributed to improved conversion rates with higher average transaction values (ATV). This initiative will expand to cover more product categories in 2025 to sustain the momentum.

To reach a broader customer base, Pricerite successfully launched English and Simplified Chinese versions of its eShop. This expansion allows the company to better serve expatriates and new migrants in Hong Kong. In response to Hong Kong's demographic shifts, Pricerite also extended its presence on social media platform XiaoHongShu. This platform caters to the influx of new migrants from Mainland China and has become a key influence on Gen Z shopping habits.

Amid economic uncertainty, Pricerite enhanced affordability by promoting interest-free instalment options and a P-coin rebate programme. Both initiatives boosted consumer confidence and sales.

Pricerite also continued to refine its operational efficiency. Underperforming stores were closed, and resources were reallocated to higher-performing locations to optimise the store network.

During the period, Pricerite upgraded its back-office operations in Shenzhen, transforming it into a logistics and merchandising centre. The GBA, encompassing cities like Shenzhen, Guangzhou, and Hong Kong, is one of the most dynamic economic regions globally. Shenzhen, in particular, stands out as a hub for innovation, technology, and supply chain excellence. This strategic move allows Pricerite to leverage robust infrastructure, a skilled workforce, and a well-established supplier network, thereby streamlining the supply chain, reducing lead times, and enhancing efficiency.

Facing a rapidly evolving industry landscape influenced by technological advancements and changing consumer behaviours, Pricerite increasingly leverages innovative tools like data analytics. This includes optimising product planning, sales forecasting, inventory management, and promotions to strengthen customer engagement and operating efficiency.

ESG

During the year, in alignment with Pricerite's core value of "We CARE," the Group offered exclusive discounts to residents of The STEP, a transitional housing initiative located in San Tin. This project provides short-term rental accommodation at reduced rates for families who have been on the public housing waiting list for more than three years or those facing urgent housing needs. The discounts applied to furniture, household goods, and electrical appliances, helping residents to establish a comfortable and warm home. This initiative not only addressed immediate housing challenges but also significantly improved the quality of life for the residents.

The Group continued its sponsorship and encouraged staff to participate in the "Cycle for Millions" event organised by Pok Oi Hospital. This initiative not only supported the development of the hospital but also promoted cycling, a sustainable lifestyle, and greater health awareness in Hong Kong. As a "Total Caring Organisation", the Group also mobilised a team of volunteers to take part in a flag-selling activity organised by Against Child Abuse, a charity dedicated to safeguarding child welfare. This initiative aimed to raise funds for the organisation while increasing public awareness of child protection issues in Hong Kong.

The Group also took part in the Hong Kong Community Chest's "Dress Casual Day", encouraging staff to wear comfortable casual attire to work while raising funds for those in need within the local community. Through this initiative, the Group fostered a culture of care and mutual support, contributing to meaningful social causes and enhancing the overall well-being of the community.

To demonstrate our commitment to environmental protection and social responsibility, the Group partnered with Food Angel to prepare essential food aid for those in need while minimising food waste. We also took part in the World Wide Fund's Earth Hour, turning off non-essential lights to highlight the importance of environmental conservation and fight against climate change. Furthermore, the Group participated in Greeners Action's Lai See Reuse and Recycle Programme, which promoted eco-friendly practices alongside New Year customs.

Outlook

Looking ahead to 2025, Hong Kong is expected to benefit from a general downtrend in interest rates, continued economic growth, and an influx of talent. These factors should support stable growth in the residential property market.

Government data indicates the availability of 13,700 new private residential units in the 2025-26 fiscal year, alongside 190,000 public housing units over the next five years. These developments are expected to positively impact the furniture and household sectors.

The stay-at-home economy continues to drive solid demand for furniture and household products. Consumers are prioritising improvements to their living environments over luxury purchases, as evidenced by the significant decline in retail sales of valuable goods and motor cars.

Pricerite is well-positioned to capitalise on these trends. Its cost optimisation measures and strategic investments in innovation have laid a strong foundation for growth. With unparalleled local knowledge of Hong Kong's living environment, Pricerite's multi-functional furniture solutions meet the demands of customers, offering value-for-money quality options and hassle-free after-sales services.

We will continue investing in Pricerite's online-merge-offline business model and digitalisation programmes to enhance operational efficiency, drive sustained growth, and strengthen customer engagement in an evolving digital retail landscape.

ALGO TRADING BUSINESS – CAFG

Market Overview and Business Environment

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

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

Business Review

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

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

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

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

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

Business Development

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

Outlook

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

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

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

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

OTHER FINANCIAL SERVICES BUSINESS – CFSG

Market Overview

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

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

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

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

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

Business Review

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

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

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

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

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

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

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

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

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

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

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

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

ESG

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

EMPLOYEE INFORMATION

At 31 December 2024, the Group had 502 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year under review was approximately HK$179.2 million.

BENEFITS

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

TRAINING

The Group has implemented various training policies and organised a number of training programmes aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as product knowledge, customer service, selling techniques, presentation, communication, quality management, graduate development and also professional regulatory training programmes as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the SFO, to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Bankee Pak-hoo KWAN, BBS, JP

Chairman, ED & CEO

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

Dr Kwan, aged 65, joined the Board on 9 March 1998. He is responsible for devising the overall business strategy of the Group. Dr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. An MBA graduate from The Murdoch University of Perth, Australia and a BBA graduate from The Chinese University of Hong Kong, Dr Kwan was also conferred an Honorary Doctorate degree in Business Administration. Dr Kwan is also a fellow of the Institute of Financial Accountants, UK, the Hong Kong Securities and Investment Institute and the Hong Kong Institute of Marketing (HKIM). He is a Certified Professional Marketer (HK) of HKIM. He was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government and is a Justice of Peace (JP) of the HKSAR.

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

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

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

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

James Siu-pong LEUNG

ED

MBA, BSocSc

Mr Leung, aged 62, joined the Board on 2 September 2019. He is in charge of the overall strategic planning and development of Pricerite Group. He has extensive experience in the fields of banking, debt capital market and retail management businesses. Mr Leung received a Master of Business Administration Degree from Heriot-Watt University, UK and a Bachelor of Social Sciences (Management and Economics) Degree from The University of Hong Kong. Mr Leung is also the executive director and deputy chairman of Pricerite Group.

Jeffrey Teng-hin KWAN

ED

BA, MHKSI

Mr Kwan, aged 35, joined the Board on 2 September 2019. He is in charge of corporate management and strategic investments of the Group. He has extensive experience in financial technology, corporate and strategic management, private equity and investment management. Mr Kwan received a Bachelor of Arts Degree in Psychology from the Johns Hopkins University, US. He is a member of the Hong Kong Securities and Investment Institute. He is the son of Dr Kwan Pak Hoo Bankee (the chairman, executive director and chief executive officer of the Company and CFSG) and the brother of Ms Kwan Iec Teng Janet (executive director of the Company, and executive director and deputy chief executive officer of Pricerite Group). Mr Kwan is also an executive director and deputy chief executive officer of CFSG.

Morton Tsz-yui CHEUNG

ED & CFO

BBA, CPA

Mr Cheung, aged 39, joined the Board on 20 June 2023. He oversees the finance and treasury function of the Group. He has extensive experience in the fields of auditing, financial reporting, investment banking and corporate finance. Mr Cheung received a Bachelor of Business Administration (Professional Accountancy) Degree from The Chinese University of Hong Kong. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr Cheung is also an executive director and chief financial officer of CFSG.

Janet Iec-teng KWAN

ED

BA

Ms Kwan, aged 31, joined the Board on 5 July 2024. She oversees the digitalization of the Group's retail business. She has extensive experience in the fields of brand management, digital marketing, advertising technology, and consulting. Ms Kwan was awarded in the "Women to Watch" list by Campaign Asia. Ms Kwan was formerly a Lead Associate Trading Director at The Trade Desk where she empowered brands and agencies to transform their traditional marketing efforts into effective, data-backed advertising strategies. Prior to that, Ms Kwan was a brand consultant in a strategic consultancy within the WPP group, developing data-driven brand strategies for Fortune 500 companies. Ms Kwan graduated magna cum laude and Phi Beta Kappa from Columbia University with a Bachelor of Arts in Financial Economics and double concentrations in Business Management and Psychology. She is the daughter of Dr Kwan Pak Hoo Bankee (the chairman, executive director and chief executive officer of the Company and CFSG) and the sister of Mr Kwan Teng Hin Jeffrey (executive director of the Company and executive director and deputy chief executive officer of CFSG). Ms Kwan is also the executive director and deputy chief executive officer of Pricerite Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Johnny Ka-kui LEUNG

INED

LL.B

Mr Leung, aged 67, joined the Board on 25 October 2000. Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. He is a qualified solicitor in Hong Kong, England & Wales and Singapore, and is a Notary Public and China Appointed Attesting Officer. Mr Leung received a Bachelor of Laws Degree (LL.B) from The University of London, UK. Mr Leung is also the chairman of the Audit Committee and the Remuneration Committee; and a member of the Nomination Committee.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Chuk-yan WONG

INED

MSc (Business Administration), BBA, CFA, CPA, CGA

Mr Wong, aged 63, joined the Board on 3 June 1998. He has extensive investment management experience in the global financial markets. Mr Wong received a Master of Science Degree in Business Administration from The University of British Columbia, Canada and a Bachelor of Business Administration Degree from The Chinese University of Hong Kong. He is a Chartered Financial Analyst (CFA) charterholder and a Chartered Professional Accountant of Canada (CPA, CGA). Mr Wong is also a member of the Audit Committee and the Remuneration Committee.

Hak-sin CHAN

INED

PhD, MBA, BBA

Dr Chan, aged 63, joined the Board on 25 October 2000. He has extensive experience in the academia in the US as professor, researcher and consultant in the fields of corporate finance and international marketing. Dr Chan is an associate professor in the Department of Marketing at The Hang Seng University of Hong Kong. Dr Chan received a Doctor of Philosophy Degree in Business, a Master of Business Administration Degree from The University of Wisconsin-Madison, US and a Bachelor of Business Administration Degree from The Chinese University of Hong Kong. Dr Chan is also a member of the Audit Committee and the Nomination Committee.

SENIOR MANAGEMENT

Angela Sze-kai WONG

Executive Director, CFSG

EMBA, BA, CFA

Ms Wong, aged 57, joined the Group in February 2004. She leads the investment management business, including strategic and fund product development, to align with the Group's overall wealth management direction. She has over three decades of experience in financial services, focusing on investment and wealth management business in North America, Hong Kong, and Mainland China. Ms Wong received a Bachelor of Arts Degree from York University, Canada, and an Executive MBA Degree from Tsinghua University, China. She holds the Chartered Financial Analyst designation from the CFA Institute in the US. She is a responsible officer of CASH Asset Management Limited, CASH Wealth Management Limited and CASH Algo Finance Group Limited.

Daryl Wai-kwong LAI

Executive Director, CFSG

MBA, BBA

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

Derek Hin-sing NG

Chief Executive Officer, Pricerite Group

MBA, BA, PD

Mr Ng, aged 56, joined the Group in July 2023. He is in charge of the business development and management of Pricerite Group. He has extensive experience in the field of retail operation and management. Mr Ng received a Master of Business Administration Degree from Southern Illinois University Carbondale, US and a Bachelor of Arts Degree from Ottawa University, US. He holds a Professional Diploma in Financial Planning from The University of Hong Kong. In 2014, Mr Ng was bestowed with the "Asia Pacific Entrepreneurship Awards 2014 – Outstanding Entrepreneurship Award", as organised by Enterprise Asia.

Alfred Ka-chun MA

Managing Director, CASH Algo Finance Group

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

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Roland Peng SONG

Chief Executive Officer, Wealth Management

MBA, BIT

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

Duncan Hau-ming IP

Chief Operating Officer, Pricerite Group

GBM

Mr Ip, aged 42, joined the Group in March 2018. He is in charge the overall merchandising platform of Pricerite Group building it as a professional data-driven organisation. He is responsible for fostering the understanding of customers' changing preferences and buying behaviours while optimising the inventory and supply chain management of Pricerite Group. Through big-data analytics, Mr Ip is dedicated to developing customer-oriented product portfolio to gain customer loyalty through enhanced customer satisfaction. He has extensive experience in retail data analytics. Mr Ip holds a Bachelor of Global Business Management Degree from University of Central Lancashire, UK.

Packy Sui-pik YEUNG

Deputy Chief Operating Officer, Pricerite Group

MBA

Ms Yeung, aged 60, joined the Group in January 2003. She is in charge of the back-office and frontline operations of Pricerite Group. She has over 30 years of proven solid experience in Hong Kong's retail market. Ms Yeung received a Master of Business Administration Degree from the Holmes Institute in Australia.

Boris Ting-pong TAM

General Manager of iRetail, Pricerite Group

BAS

Mr Tam, aged 43, joined the Group in May 2016. He is in charge of the e-commerce business of Pricerite Group. He has extensive experience in the fields of e-commerce and information technology. Mr Tam received a Bachelor of Applied Science Degree in Computing from Swinburne University of Technology, Australia.

Ada Suet-ping CHEUNG

Company Secretary

ACG, HKACG, CPA, FCCA

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

Carrie Chiu-mei LAW

Director, Human Resources & Administration

BBA, MHKIHRM

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

CORPORATE GOVERNANCE REPORT

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

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

(2) Pursuant to code provision B.2.4 where all the independent non-executive directors of the Company have served more than nine years on the Board, the Company should appoint a new independent non-executive director on the board. Each of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin had served the Company as an independent non-executive Director for more than nine years and the Company did not appoint a new independent non-executive Director. Mr Leung Ka Kui Johnny has served the Board for 24 years, Mr Wong Chuk Yan has served the Board for 26 years and Dr Chan Hak Sin has served the Board for 24 years. The Board considers that each of the three independent non-executive Directors have a thorough understanding of the Company's operations, do not involve in the Company's daily operations and have expressed independent advices to the Company in the past. The Board is also of the view that these three independent non-executive Directors are firmly committed to their responsibilities and ongoing role, and that the long service of these three independent non-executive Directors will not affect their independent judgements. The Board considers these three independent non-executive Directors to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that the continued tenure of these independent non-executive Directors will help to maintain the stability of the Board as they have, over time, gained valuable insights into the business strategy and policies of the Group. Therefore, the Company did not appoint a new independent non-executive Director, which despite deviate from code provision B.2.4, would not be detrimental to the Company.

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

CULTURES AND VALUES

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

Integrity and code of conduct

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

Commitment

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

CORPORATE GOVERNANCE REPORT

THE BOARD COMPOSITION

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

Executive Directors

Kwan Pak Hoo Bankee
Leung Siu Pong James
Kwan Teng Hin Jeffrey
Cheung Tsz Yui Morton
Kwan Iec Teng Janet *(Note)* (appointed on 5 July 2024)

Independent Non-executive Directors

Leung Ka Kui Johhny
Wong Chuk Yan
Chan Hak Sin

The biographies of the Directors are set out from pages 19 to 21 of this annual report under the "Board of Directors and Senior Management" sections.

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

Note:

Ms Kwan Iec Teng Janet was appointed as ED on 5 July 2024. In compliance with Rule 3.09D of the Listing Rules, Ms Kwan obtained the legal advice referred to in Rule 3.09D on 5 July 2024, and she has confirmed that she understood her obligations as a Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

INDEPENDENT VIEWS

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

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

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

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

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

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

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

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

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

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

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

ROLES AND RESPONSIBILITIES OF THE BOARD AND THE SENIOR MANAGEMENT

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

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

RELATIONSHIP BETWEEN THE BOARD MEMBERS

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

INDUCTION, SUPPORT AND PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

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

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

Name of Directors	**Training on corporate governance, regulatory development and other relevant topics**
Kwan Pak Hoo Bankee	✔
Leung Siu Pong James	✔
Kwan Teng Hin Jeffrey	✔
Cheung Tsz Yui Morton	✔
Kwan Iec Teng Janet (appointed on 5 July 2024)	✔
Leung Ka Kui Johnny	✔
Wong Chuk Yan	✔
Chan Hak Sin	✔

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

DIRECTORS' INSURANCE

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

DIRECTORS' ATTENDANCE AND TIME COMMITMENT

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

	Meetings attended/held					
Name of Directors	**Executive Committee Meeting**	**Full Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**
EDs						
Kwan Pak Hoo Bankee	10/10	6/6	N/A	2/2	2/2	1/1
Leung Siu Pong James	10/10	6/6	N/A	N/A	N/A	1/1
Kwan Teng Hin Jeffrey	8/10	6/6	N/A	N/A	N/A	1/1
Cheung Tsz Yui Morton	10/10	6/6	N/A	N/A	N/A	1/1
Kwan Iec Teng Janet (appointed on 5 July 2024)	4/5	3/3	N/A	N/A	N/A	N/A
INEDs						
Leung Ka Kui Johnny	N/A	5/6	3/4	2/2	2/2	1/1
Wong Chuk Yan	N/A	6/6	4/4	2/2	N/A	1/1
Chan Hak Sin	N/A	5/6	3/4	N/A	2/2	1/1
Total number of meetings held:	10	6	4	2	2	1

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

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

BOARD MEETINGS AND PROCEEDINGS

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

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

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the Director will abstain from voting on the relevant board resolution in which he/she or any of his/her associates has a material interest and that he/she shall not be counted in the quorum present at the board meeting.

AUDIT COMMITTEE *(SET UP ON 28 JUNE 1999)*

The Audit Committee consists of three INEDs, namely Mr Leung Ka Kui Johnny (chairman of the committee), Mr Wong Chuk Yan and Dr Chan Hak Sin.

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

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

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

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

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

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

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

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

REMUNERATION COMMITTEE *(SET UP ON 1 JUNE 2005)*

The Remuneration Committee consists of three members, namely Mr Leung Ka Kui Johnny (chairman of the committee) and Mr Wong Chuk Yan, both being INEDs, and Dr Kwan Pak Hoo Bankee, being Chairman of the Board.

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

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

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

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

Remuneration policy of the Directors

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

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

The remuneration of EDs generally consists of:

- fixed monthly salary/allowance – which is set in accordance to the Director's duties, responsibilities, skills, experiences and market influences;
- pension – which is based on the local Mandatory Provident Fund Contribution Scheme;
- short term variable incentive – which may include discretionary cash bonus depending on the achievement of short-term corporate objectives and/or personal targets;
- long term variable incentive – which may include share options designed to encourage long-term commitment.

The remuneration of the non-executive Director(s) of the Company (if any) and the INEDs will be a lump sum of Directors' remuneration made annually.

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

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

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

The Nomination Committee consists of three members, namely Dr Kwan Pak Hoo Bankee (chairman of the committee), being Chairman of the Board, Mr Leung Ka Kui Johnny and Dr Chan Hak Sin, both being INEDs.

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

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

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

ii. reviewed the independence of the INEDs; and

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

Nomination Policy

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

Selection Criteria

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

- character, experience and integrity;
- skills, experience and professional expertise which are relevant to the operations of the Group;
- diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of independence of the proposed independent non-executive Directors in accordance with the Listing Rules;
- commitment in respect of sufficient time and participation to discharge duties as a member of the Board and/or Board Committee(s).

Nomination Process

- the Nomination Committee will hold a meeting and/or by way of written resolutions to, if though fit, approve the recommendation to the Board for appointment;
- to make the recommendation to the Board in relation to the proposed appointment; and
- the Board will have the final authority on determining the selection of nominees.

BOARD DIVERSITY POLICY

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

Gender Diversity

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

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at 31 December 2024, the number of female employees of the Group accounted for 54.98% of the total workforce. The Board is of the view that the Group has achieved gender diversity among employees.

The Group's recruitment strategy is underpinned by the appointment of the right employee for the right position, in order to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills and know-how.

CORPORATE GOVERNANCE FUNCTIONS

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

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

DIVIDEND POLICY

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

1. Purpose

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

2. Vision

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

3. Power of the Board

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

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

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

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

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

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

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

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

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

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

4. Governing rules

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

5. Approval

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

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

6. Review of this policy

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

7. Legal validity

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

COMPANY SECRETARY

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

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

SECURITIES TRANSACTIONS OF DIRECTORS

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

ACCOUNTABILITY AND AUDIT

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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

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

(ii) Risk management process

System and procedures are in place to identify, evaluate, manage, and report on the material risk types facing the Group including strategic, operations, compliance, reporting, information and technology risks as well as environmental, social and governance risks.

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

(iii) Changes in market condition/external environment

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

(iv) Financial reporting

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

(v) Internal audit

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

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

(vi) Inside information

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

(vii) Whistle-blowing channels

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

(viii) Anti-corruption policy

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

Overall assessment

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

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

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

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

COMMUNICATION WITH SHAREHOLDERS

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

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

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

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

CONSTITUTIONAL DOCUMENTS

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

SHAREHOLDERS' RIGHTS

Convening a SGM and putting forward proposals at general meetings

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

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

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

CORPORATE GOVERNANCE REPORT

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

Enquiries from Shareholders

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong or tel: (852) 2980 1333 or email: cash1049@cash.com.hk.

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

AUDITOR'S INDEPENDENCE AND REMUNERATION

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

Services rendered	**Fees paid/payable** HK$
Audit services	5,047,000
Non-audit services:	
Tax advisory	41,000
Preparation for sales report	42,000
Review of continuing connected transactions	145,000
Review of the preliminary results announcement	65,000
	5,340,000

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

Hong Kong, 28 March 2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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

SCOPE OF REPORTING

This ESG Report primarily addresses the major initiatives and performance of the Group in its retail management business, Pricerite Group, concerning environmental and social aspects for the year. The ESG data and related key performance indicators (KPIs) included in this report pertain to the head office in Kowloon Bay and 14 Pricerite retail stores in Hong Kong. CFSG (SEHK Stock Code: 510), a listed subsidiary of the Company, issues its own ESG report separately, its ESG data is not included in this report.

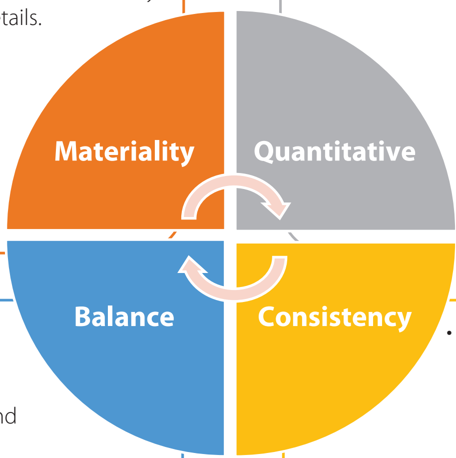
REPORTING FRAMEWORK

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

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

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

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



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

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

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on pages 23 to 36 of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PERIOD

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

BOARD STATEMENT

Oversight of ESG Issues

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

The ESG Committee

The ESG committee, composing of core members from different departments, is established to facilitate the Board's oversight of ESG matters. The ESG committee is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG committee arranges meetings when required to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall performance of ESG policies. By setting ESG-related goals and targets to minimise the environmental impacts from the Group's operation, the Group affirmed its commitment in embedding sustainability into the business operation and fulfil its corporate responsibility. The ESG committee would report to the Board, assist in examining and reviewing the Group's ESG performance against the Group's ESG-related goals and targets, including environmental, labour practices and other ESG aspects.

TOTAL CARING ORGANISATION

To become a Total Caring Organisation, the Group is dedicated to:

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

STAKEHOLDER ENGAGEMENT

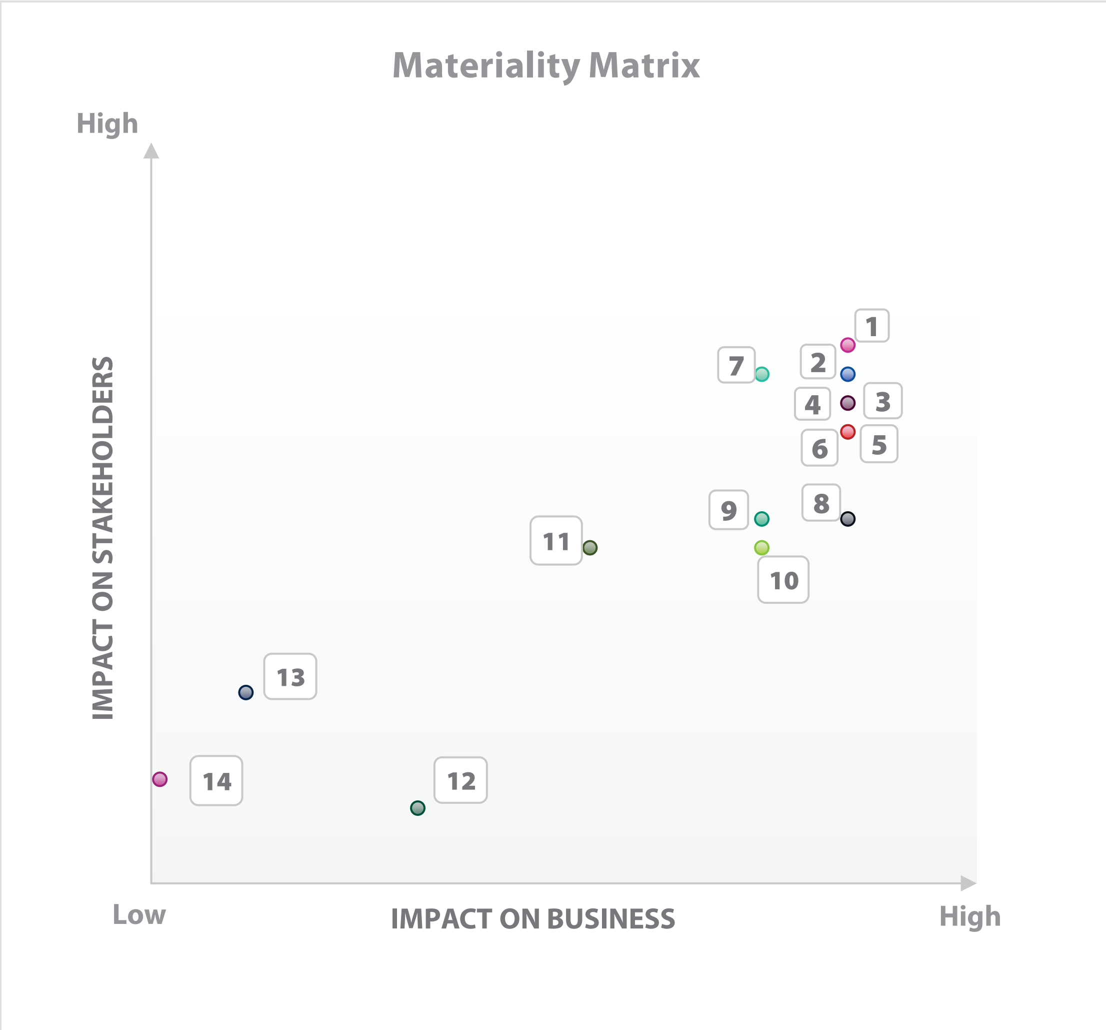
The Group values its stakeholders and their feedback regarding its businesses and ESG performance. To understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers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

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

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

MATERIALITY ASSESSMENT

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



Major ESG Issues

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

CONTACT US

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

A. ENVIRONMENTAL

A1. Emissions

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

During the Reporting Period, the Group and its subsidiaries received several awards which recognised our effort in promoting environmental protection. The Group and its subsidiaries, collectively received the following environmental and social awards during the Reporting Period:

Name of Award	Awarding Organisation
Hong Kong Awards for Environment Excellence (HKAEE) – Wastewi$e Certificate (Good Level)	Environmental Campaign Committee
Hong Kong Green Organisation Certificate	Environmental Campaign Committee
E-waste Management and Partnership 2024 Appreciation Award	ALBA Integrated Waste Solutions (Hong Kong) Limited

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

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

Air Emissions

Due to the Group's business nature, only an immaterial amount of air emissions was generated from the use of company vehicles. Description of mitigation measures of emissions are described in the following section headed "GHG Emissions".

Summary of air emissions performances:

Types of air emissions	**Unit**	**2024**	2023
Nitrogen Oxides (NOx)	kg	**1.58**	1.26
Sulphur Oxides (SOx)	kg	**0.04**	0.03
Particulate Matter (PM)	kg	**0.12**	0.09

GHG Emissions

The principal GHG emissions of the Group were generated from purchased electricity consumed in offices and retail stores (Scope 2). To mitigate the biggest attributor of the GHG emissions, the Group has actively adopted energy conservation measures to achieve green office which are described in the section headed "Energy Management" under aspect A2.

In the retail management business, transportation and deliveries of products are provided by external transportation service providers. To reduce the carbon emissions from the mobile transportation activities of our business partners, we aim to optimise the number of deliveries, which includes:

- Working closely with logistic partners in developing a better fuel-efficient transportation practice;
- Packing and loading products more efficiently to reduce the number of delivery journeys; and
- Continuously improving our transportation management system to achieve more efficient journey planning.

On the other hand, video-conferencing systems have been installed in offices to reduce travel and as a result reduce other indirect GHG emissions.

The Group's total GHG emissions intensity during the Reporting Period decreased by approximately 11%, mainly due to the decrease in electricity usage resulting from the closure of three retail stores. To ensure the effectiveness of the measures, the Group had set a target of reducing the total GHG emissions intensity (tCO_2e/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of GHG emissions performances:

Scope of GHG emissions[1]	Unit[2]	2024	2023
Direct GHG emissions (Scope 1)	tCO_2e	**7.44**	4.69
Energy indirect GHG emissions (Scope 2)	tCO_2e	**1,252.20**	1,622.30
Total GHG emissions	tCO_2e	**1,259.64**	1,626.99
Total GHG emissions intensity[3]	tCO_2e/million revenue	**1.43**	1.60

Notes:

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

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

3. During the Reporting Period, the Group recorded a revenue of approximately HK$883,657,000 (2023: HK$1,016,423,000). The data is also used for calculating other intensity data.

Sewage Discharge

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

Waste Management

Due to the Group's business nature, no significant hazardous waste is generated during operation. The waste generated from the business activities in offices and retail stores of the Group is mostly paper. The Group pursues high standard in waste reduction and educates all staff on the importance of sustainability while providing them with the skills and support to implement it.

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

- Implementing a Green Information and Communication Technology (ICT) Platform, including systems such as E-workflow and CASHARE (intranet) to build a highly efficient "paperless, IT-driven and systematic" working environment;

- Setting pull printing features on copy machines which is an efficient way to reduce paper waste in the office by preventing uncollected printouts from piling up in the printer tray;

- Achieving waste reduction goals set under the Wastewi$e Certificate recognition scheme;

- Posting a "Green message" reminder at all office equipment;

- Applying used envelopes for internal document circulation; and

- Recommending duplex or 2-on-1 page copying on recycled paper.

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

The Group's paper disposal intensity during the Reporting Period decreased by approximately 25%. This is mainly attributable to the company's transition to a more digital and paperless work environment, along with an increased emphasis on sustainable practices and reducing waste. To ensure the effectiveness of the measures, the Group had set a target of reducing the total non-hazardous wastes intensity (kg/million revenue) by 2025 when compared to 2021, which is also the baseline year. Summary of major non-hazardous waste discharge performance is as below:

Types of waste	**Unit**	**2024**	2023
Office paper	kg	**4,962.79**	7,589.65
Total non-hazardous wastes	kg	**4,962.79**	7,589.65
Total non-hazardous wastes intensity	kg/million revenue	**5.62**	7.47

In our offices, waste separation facilities have been implemented. We provide recycling bins for collecting scrap papers, plastic bottles, aluminum cans, and recyclable toner cartridges, which are then delivered to the recycling agents for further processing. In Pricerite retail stores, recycling bins are implemented to facilitate recycling for customers, and we have engaged qualified service providers for the collection and recycling on a regular basis.

The amount of recycled items at our collection points during the Reporting Period is summarised as follows:

Types of waste collected for recycling	**Unit**	**2024**	2023
Paper	kg	**8,129**	4,469
Aluminum cans	Pieces	**66**	38
Plastic bottles	Pieces	**162**	175
Toner cartridges	Pieces	**16**	40
Battery	kg	**75**	98
Lighting tube	Pieces	**798**	499
Light bulb	Pieces	**705**	499

Target Achievement Progress

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

During the Reporting Period, the total GHG emissions intensity of the Group decreased by approximately 11% as compared to 2023 while remained the same as compared to 2021 (the baseline year). Though the GHG emission intensity remained the same as compared to the baseline year as a result of the decrease in revenue, the GHG emission was decreased by 36%, as compared to the baseline year. Regarding non-hazardous wastes intensity, there was a decrease of 25% as compared to 2023 and a decrease of 54% as compared to 2021 (the baseline year).

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

A2. Use of Resources

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

Energy Management

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

1) Lighting

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

2) Office equipment

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

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

The Group's energy consumption intensity during the Reporting Period decreased by approximately 9%, mainly due to the decrease in the electricity usage resulting from the closure of three retail stores. To ensure the effectiveness of the measures, the Group had set a target of reducing the total energy consumption intensity (kWh/million revenue) by 2025 when compared to 2021, which is also the baseline year.

Summary of energy consumption performance:

Types of energy	**Unit**	**2024**	2023
Direct energy consumption			
– Petrol	kWh	**27,110.60**	17,090.63
Indirect energy consumption			
– Electricity	kWh	**2,824,180.00**	3,603,695.00
Total energy consumption	kWh	**2,851,290.60**	3,620,785.63
Total energy consumption intensity	kWh/million revenue	**3,226.69**	3,562.29

Water Management

The Group does not consume significant amounts of water through our business activities. Water usage in the office in Kowloon Bay and Pricerite retail stores is included in the management fee as water supply facilities are provided and managed by property managers on our rental premises, no meter reading is therefore available.

Although the water consumption is considered minimal, we also encourage saving by driving behavioural changes in the workplace. Green messages are posted in pantries and washrooms as reminders for using water efficiently. During the Reporting Period, the Group targets to promote water conservation in our offices and retail stores in the coming year.

Use of Packaging Material

In the retail management business, Pricerite, packaging material is used for delivery of goods. The major packaging material used in the business is plastic bag, which is offered to customers upon request.

The Group strictly implements the Plastic Shopping Bag Charging Scheme enforced by the Government. Customers are required to pay a levy when requesting a plastic bag, which helps restrict plastic bag consumption. Promotional materials for the "Bring Your Own Bag" (BYOB) initiative are displayed in our retail stores to raise customer awareness and encourage the use of fewer plastic bags. During the Reporting Period, these combined efforts, along with the closure of three retail stores and the growing environmental awareness in society, led to a significant reduction in the Group's plastic bag usage.

Summary of packaging material consumption performance:

Types of packaging material	**Unit**	**2024**	2023
Plastic bags	pieces	**33,020**	103,000

Target achievement progress

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

During the Reporting Period, the energy consumption intensity of the Group decreased by approximately 9% as compared to 2023, and approximately 4% as compared to 2021, which is the baseline year for setting the target. This is mainly due to the decrease in the electricity usage resulting from the closure of three retail stores.

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

A3. *The Environment and Natural Resources*

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

Working Environment

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

Light Pollution

Due to the high building density in Hong Kong, external lighting at night may disturb nearby residents. To reduce the impact of light pollution, Pricerite strictly follows the "Charter on External Lighting" which has been in effect since April 2016. Certain Pricerite stores are committed to switching off decorative, promotional or advertising lighting, which affects the outdoor environment during the preset time (i.e. midnight to 7 am). This measure also helps reduce energy wastage.

A4. *Climate Change*

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

Physical Risks

The increased frequency and severity of extreme weather events such as typhoons, storms, heavy rains, and extreme cold or heat pose acute and chronic physical risks to the Group's business. The Group's assets may be damaged and store operations disrupted, resulting in reduced revenue from lower sales and higher maintenance costs. Climate change may also adversely impact our employees in terms of health and commuting and cause displacements in communities where we operate.

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

Transition Risks

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

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

B. SOCIAL

B1. Employment

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

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

As at 31 December 2024, the Group had a total of 396 employees (2023: total 514 employees). The headcount change is mainly due to the optimisation and digitisation of frontline business, and the reduction of part-time employees during the reporting period. Total workforce by gender, age group, geographical region and employment type is as follows:

	2024	2023
Total number of employees	**396**	514
Gender		
Male	**168**	220
Female	**228**	294
Age Group		
Below 30 years old	**55**	51
30-50 years old	**229**	308
Over 50 years old	**112**	155
Geographical region		
Hong Kong	**316**	458
China	**80**	56
Employment Type		
Full-time	**361**	467
Part-time	**29**	46
Temporary contract	**6**	1

Recruitment, Promotion and Dismissal

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

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

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

During the Reporting Period, the Group recorded a turnover rate of approximately 30.55% (2023: 33.57%). The table below shows the employee turnover rate by gender, age group and geographical region:

	2024 Turnover rate (%)	2023 Turnover rate (%)
Gender[4]		
Male	**30.41**	31.54
Female	**30.65**	35.06
Age Group[4]		
Below 30 years old	**41.51**	58.02
30-50 years old	**27.56**	33.14
Over 50 years old	**32.21**	24.28
Geographical region[4]		
Hong Kong	**31.97**	39.96
China	**7.50**	14.29

Note:

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

Remuneration and Benefits

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

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

Pricerite has set up the “Best Staff” and “Best Manager” award schemes, held yearly, to recognise top-performing employees and teams and to raise morale. Competition is also held on a monthly basis to present awards to recognise outstanding frontline employees and boost their confidence from time to time. The Group believes that our employees’ dedication deserves recognition.

Diversity and Equal Opportunities

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

Work-life Balance

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

B2. Health and Safety

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

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

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). The Group has achieved zero work-related fatalities in the past three years, including the Reporting Period. During the Reporting Period, there were 41 (2023:30) lost days due to 2 work-related injuries (2023: 4). These incidents primarily involved our frontline staff during the transportation of products and inventories. An immediate investigation was conducted, and the effectiveness of our occupational health and safety measures was assessed to enhance worker safety. To prevent similar accidents in the future, the Group provided training for frontline staff on personal safety during operations, equipment handling, and accident reporting procedures.

Occupational Health and Safety

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

B3. Development and Training

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

Our training programmes are developed based on business needs and capabilities of employees. We provide tailor-made management training workshops for management-level employees and high-calibre talent to enhance their professional knowledge and competency, the mindset to take on leadership roles, the ability to face adversity and team spirit. During the reporting period, we organized tailor-made internal training and learning activities to let employees understand the latest business trends, industry needs, and the Group's business direction and strategy for this year. In order to improve frontline performance, we regularly provide training programmes to strengthen employee's communication and cooperation, cultivate the spirit of competition and stimulate team spirit. Furthermore, we leveraged our digital platforms to promote online courses and e-learning to accommodate the post-pandemic "new normal".

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

During the Reporting Period, the Group has achieved a total training hour of 5,163 (2023: 3,408) hours. The table below shows the employee training data by gender and employee category:

	Percentage of employees trained[5] (%)		**Average training hours per employee[6] (hours)**	
	2024	2023	**2024**	2023
Gender				
Male	**71.43**	41.82	**13.64**	7.40
Female	**67.54**	46.26	**12.60**	6.05
Employee Category				
Senior Management	**81.25**	75.00	**26.00**	17.50
Middle Management	**76.92**	77.78	**19.27**	11.33
General	**68.39**	42.08	**12.25**	6.09

Notes:

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

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

B4. Labour Standards

Prevention of Child and Forced Labour

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

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

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

B5. Supply Chain Management

The Group is committed to creating a sustainable relationship with our suppliers and consultants through operating in an open and fair manner. Our major suppliers are mainly engaged by Pricerite Marketing Limited, Pricerite Food Limited, and Pricerite Pet Necessities Limited. During the Reporting Period, the Group has engaged 299 suppliers (2023: 386 suppliers), which breakdown by geographical regions as below:

	2024	2023
Geographical Regions		
Hong Kong	**259**	345
China (excluding Hong Kong, Macau and Taiwan)	**30**	33
South Korea	**3**	2
Japan	**2**	3
Taiwan	**1**	1
India	**1**	1
Vietnam	**1**	1
Kingdom of Cambodia	**1**	–
Malaysia	**1**	–
Thailand	**–**	–
United Kingdom	**–**	–
Total number of suppliers	**299**	386

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

Green Procurement

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

- Operating as an equal opportunity employer and recognising the right to collective bargaining as well as minimum and prevailing wages and benefits;
- Maintaining probity and accountability standards;
- Minimising discrimination against small and medium-sized enterprises or local vendors;
- Providing a healthy and safe working environment, not using any forced or child labour, and refraining from harassment or abuse of employees; and
- Supporting sustainable development, acting responsibly with regard to the environment, observing environmental criteria to conserve resources, minimising the negative environmental effects of the production, application and disposal of products, and reducing the use of hazardous products as much as possible.

B6. Product Responsibility

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

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group, including but not limited to the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress.

Quality Assurance

In the sales of furniture and household items, the Group strives to achieve the highest standard in terms of quality, safety, and consistency. We have implemented the Product Approval & Pre-Shipment Inspection Policy to regulate the quality assurance procedure regarding our products, covering the New Product Quality Assurance Approval for our electrical appliances, household products, and pet products. Pricerite has received Q-Mark Service Certification from Hong Kong Q-Mark Council since 2006, and TMF has received the certification since 2018. The certification recognises our competency on providing high standards of service to customers.

To safeguard our baseline, we involve an independent Quality Assurance Team in assuring product quality and safety. The team assures the satisfaction of customer expectations by the following means:

- Product development – review of new designs, examination of product specifications, analysis of customer expectation conformance;

- Supplier assessment – inspection of suppliers' capability in satisfying quality requirements, solving supply problem by establishing communication channels with suppliers;

- Pre-shipment inspection – inspection of functionality and safety of finished goods to ensure conformance to required specifications; and

- Complaint handling – review of product defects and mismatches against customer expectation, provision of improvement plans on product quality.

As part of the standard operating procedure, the Group also has in place the Product Recall Procedure to mitigate the distribution and sale of the affected product, so as to protect customer health and safety. With the procedure, we ensure that the removal of affected product from the marketplace as well as the stores is carried out efficiently. After the recall procedure, Improvement Note will be completed by the quality assurance department to analyse the root cause and determine the nature of the problem while corrective action plan is implemented to prevent another recall. During the Reporting Period, the Group did not recall any products for safety and health reasons.

During the Reporting Period, the Group received approximately 189 (2023: 212) complaints regarding product issues, such as product defect and missing parts, and approximately 241 (2023: 209) complaints regarding delivery and installation services. To conduct immediate investigation, we collected information, including sales transaction, detailed complaints content with photo and video, and acknowledge the customer's case within 3 working days to provide solution that meet customer's need. All follow up action were ensured to be strictly complied with our standard operating procedures and tickets in Customer Relationship Management ("CRM") System were created for record.

The Group considers the customers' feedback as an opportunity to improve our product quality and business operation. After the follow-up actions were taken, the root causes of complaints are analysed and review meetings with stakeholders are conducted. We implement remedy plans such as continuous quality improvement plan ("CQI") and scorecard marking scheme. To ensure the effectiveness of our procedures, the Group sets relevant KPIs and reviews standard operating procedure periodically through monthly performance tracking reports, so that prompt adjustment can be made and action plan can be fine-tuned where necessary.

Customer Services

The Group maintains an open and welcoming attitude to feedback and complaints from the Group's customers and guests, as the Group views it as an opportunity to improve its service. Procedures for handling complaints are detailed in the Complaint and Suggestion Handling Policy for the reference of relevant employees. Should the Group receive any complaints, the Group will strive to act immediately to resolve the issue with effective corrective actions.

During the Reporting Period, the Group received approximately 62 (2023: 63) complaints regarding customer services. With immediate response to the customers, investigation and interview were conducted by store operation management with the staff concerned. To ensure similar issues will be avoided, relevant staff are provided with intensive training course, while case study and field sharing are conducted by staff training department with frontline staff. The improvement plan regarding the complaints is closely monitored and reviewed by staff training department and operation management team.

Handling of Personal Data

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

Internal policy has been established to govern the collection and handling of personal data received from a data subject. Under our data protection principles, a Privacy Policy Statement ("PPS") is acknowledged to enable the public to ascertain the data user's general policies and practices in relation to the collection, holding and use of individual personal data.

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

Protection of Intellectual Property Rights

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

B7. Anti-corruption

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

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

Whistle-blowing Channels

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

Anti-corruption Training

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

B8. Community Investment

Adhering to our core value of "Total Caring", the Group has been caring for different sectors and groups in society for many years. We and our employees are dedicated to working hand-in-hand with local communities in a variety of initiatives ranging from job creation to youth education and disaster relief.

Community Engagement

The Group believes that contributing to society is the due responsibility of every local organisation – and we contribute to a variety of causes in Hong Kong every year. Apart from taking care of the needy during the pandemic, the Group also contributed to the community, engaging in various big and small activities.

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

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

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

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

- Upholding our core value of "Total Caring", Pricerite Group provided exclusive offers to residents of The STEP, a transitional housing project to provide short-term rental housing at a lower cost to individuals who are on the public housing waiting list for at least 3 years or have an urgent housing need. The offers covered from furniture, household goods and home appliances, helping the residents to build their own comfortable homes.

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

Hong Kong, 28 March 2025

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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
A.Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources
KPI A2.2	Water consumption in total and intensity.	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group during the year consisted of (a) retail management business including sales of furniture and household items, electrical appliances, food and pets accessories through the chain stores under multi-brand names including "Pricerite Home", "TMF", "SECO", "Pricerite Food" and "Pricerite Pet" in Hong Kong; (b) the provision of investment management services to investors (the "Investment Management Business"); and (c) the other financial services business (other than the Investment Management Business) provided through CFSG (a 64.47%-owned listed subsidiary of the Company).

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 74 of this annual report.

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

BUSINESS REVIEW

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

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

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

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

RELATIONSHIPS WITH STAKEHOLDERS

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

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

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

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

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

Shareholders

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

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

Employees

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

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

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

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

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

CFSG and Pricerite Home were honoured by UNICEF with the Certificate of Appreciation for being a Breastfeeding Friendly Workplace in recognition of their support for mothers to continue breastfeeding and provide optimal nutrition to the next generation upon their return to work.

Customers

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

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

In recognition of Pricerite Home's excellent quality service performance, the Company was accredited with Hong Kong Retail Management Association's (HKRMA) "Quality Service Recognition" and was named the 2024 Quality Service Retailer of the Year in the Home and Living Products Category. Pricerite Home has been acknowledged as a QTS Scheme Merchant for 20 consecutive years, and TMF has also been recognised as a QTS Scheme Merchant by Hong Kong Tourism Board, reflecting their commitment to high standards of product quality and service.

Pricerite Home received Hong Kong Q-Mark Service Scheme Certificate from the Federation of Hong Kong Industries, proving that the service provided by the Company is of high quality and meets the standards set by the prestigious certification scheme.

For its outstanding performance in O2O customer experience, Pricerite Home was awarded the HKRMA's Top 10 O2O Retail Brand Award and the Top 10 Quality Trusted E-Shop Award.

Pricerite Home has been recognised as a "Courtesy" Store in the Super Shopping Flash category at the Hong Kong Shopping Festival 2024. This accolade reflects our unwavering dedication to providing exceptional customer service and creating a welcoming shopping environment.

Pricerite Home received the 5 Years+ Consumer Caring Scheme award from GS1. This recognition highlights our commitment to prioritising customer care and enhancing the overall shopping experience.

Pricerite Pet has been awarded the accolade of "My Favorite One-Stop Family Solution for Pets" by PetCity and HolidaySmart. This recognition underscores our commitment to providing a comprehensive range of high-quality pet products and services that cater to the diverse needs of pet owners and their furry family members.

Pricerite Home and CFSG have been recognised as "Hong Kong Premier Service Brand" and "Hong Kong Top Service Brand" respectively in Hong Kong Top Brand Mark Scheme by Hong Kong Brand Development Council.

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

Suppliers

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

Community

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

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

Showing the sustainability and breadth of our corporate social responsibility efforts, the Group and CFSG have been awarded the accolade of "15 Years Plus Caring Company" and Pricerite Home has been awarded the accolade of "20 Years Plus Caring Company" by the Hong Kong Council of Social Service (HKCSS) in recognition of our achievements in "Caring for the Community", "Caring for the Employee" and "Caring for the Environment". They serve as a recognition for our contribution to community services and commitment to employee engagement.

CFSG was honoured by UNICEF with the Certificate of Appreciation for being an Effective Outreach Partner of the Say Yes To Breastfeeding Campaign 2024/25, and Pricerite Home received the Certificate of Appreciation (Gold Label) for being a Breastfeeding Friendly Premises. This recognition underscores CFSG's support in promoting breastfeeding, while acknowledging Pricerite Home's commitment to creating a breastfeeding-friendly environment.

ENVIRONMENTAL POLICY AND PERFORMANCE

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

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

Over the years, the Group has participated in various environmental protection programmes and campaigns organised by reputable institutions and have been recognised with awards. CASH, CFSG and Pricerite Home received Wastewi$e Certificate (Good Level) at 2024 Hong Kong Awards for Environmental Excellence from Environmental Campaign Committee. Pricerite Home has been recognised as the "Hong Kong Green Organisation" by the Committee. Pricerite Home received the E-waste Management and Partnership 2024 Appreciation Award from ALBA Integrated Waste Solutions (Hong Kong) Limited. The achievements highlighted the Group's total caring culture and commitment to responsible business.

COMPLIANCE WITH LAWS AND REGULATIONS

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the audited results and the assets and liabilities of the Group for the last five financial years ended 31 December 2024 is set out on pages 169 to 170 of this annual report.

PROPERTY AND EQUIPMENT

Details of movements during the year in the property and equipment of the Group are set out in note 17 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries are set out in note 47 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the year are set out in the "Consolidated Statement of Changes in Equity" of the consolidated financial statements on pages 77 to 78 of this annual report.

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

At 31 December 2024, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act 1981 of Bermuda, amounted to approximately HK$41,997,000.

PRE-EMPTIVE RIGHTS

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

CONTINUING CONNECTED TRANSACTION

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

On 20 February 2023, Celestial Securities Limited (a wholly-owned subsidiary of CFSG, and a subsidiary of the Company held through CFSG) entered into the margin financing agreements with each of the following connected clients (collectively the "Connected Clients"):

(i) Dr Kwan Pak Hoo Bankee;

(ii) Mr Kwan Teng Hin Jeffrey;

(iii) Mr Leung Siu Pong James;

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

(v) Ms Wong Sze Kai Angela; and

(vi) Cash Guardian Limited.

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

As at the date of the respective margin financing agreements, (i) each of Dr Kwan Pak Hoo Bankee, Mr Leung Siu Pong James and Mr Kwan Teng Hin Jeffrey is a director of the Company; (ii) Cash Guardian Limited is indirectly wholly-owned by Dr Kwan Pak Hoo Bankee; and (iii) each of Mr Law Hin Ong Trevor and Ms Wong Sze Kai Angela is a director of CFSG, each of the aforesaid persons is a connected person of the Company. Therefore, the margin financing arrangement with each of the Connected Clients constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As (i) each of Mr Law Hin Ong Trevor and Ms Wong Sze Kai Angela is only a connected person of the Company at the subsidiary level; (ii) the Board has approved the margin financing arrangement with each of Mr Law Hin Ong Trevor and Ms Wong Sze Kai Angela; and (iii) the independent non-executive directors of the Company have confirmed that the terms of each of such transactions are fair and reasonable, each of such transactions are on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole, the margin financing arrangement with each of Mr Law Hin Ong Trevor and Ms Wong Sze Kai Angela was exempted from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Save and except of the above, all of the above margin financing agreements were approved by the independent Shareholders at the SGM held on 29 March 2023. Details of the transactions were disclosed in the joint announcement of the Company and CFSG dated 20 February 2023 and the circular of the Company dated 13 March 2023.

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

During the year ended 31 December 2024, the maximum amount of margin financing facilities utilised by each of the Connected Clients did not exceed the annual cap of HK$40 million.

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

The Company's auditor was engaged to report on the aforesaid Group's continuing connected transactions of the Company for the financial year ended 31 December 2024 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the auditor of the Company has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transaction disclosed above in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTION

Details of the related party transaction entered into by the Group are set out in notes 34 and 44 to the consolidated financial statements and those related party transactions which are related to the continuing connected transaction of the Group as disclosed under heading "Continuing Connected Transaction" above in this section or are connected transactions exempted from announcement, reporting, annual review and shareholders' approval requirement under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in relation to the related party transaction of the Group during the year.

MAJOR CUSTOMERS AND SUPPLIERS

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

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

DIRECTORS' REPORT

DIRECTORS

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

Executive Directors:

Kwan Pak Hoo Bankee
Leung Siu Pong James
Kwan Teng Hin Jeffrey
Cheung Tsz Yui Morton
Kwan Iec Teng Janet (appointed on 5 July 2024)

Independent Non-executive Directors:

Leung Ka Kui Johnny
Wong Chuk Yan
Chan Hak Sin

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

(i) Ms Kwan Iec Teng Janet, being newly appointed ED, shall retire at the AGM in accordance with the Company's bye-laws; and

(ii) Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, all being INEDs, shall retire at the AGM in each year in accordance with their terms of office of directorship.

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

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

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 43 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SECURITIES

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

A. The Company

Long positions in the Shares

Name	Capacity	Number of Shares		Shareholding
		Personal	Corporate interest	(%)
Kwan Pak Hoo Bankee	Beneficial owner and interested in a controlled corporation	598,501	39,599,098*	49.79
Leung Siu Pong James	Beneficial owner	37,642	–	0.05
		636,143	39,599,098	49.84

* The Shares were held by Cash Guardian. Dr Kwan Pak Hoo Bankee was deemed to be interested in all these Shares as a result of his interests in Cash Guardian as disclosed in the "Substantial Shareholders" below.

B. The subsidiary

CFSG

Long positions in the ordinary shares of HK$0.04 each

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

* The shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company). The Company was beneficially owned as to approximately 49.79% by Dr Kwan Pak Hoo Bankee, details of which were disclosed in the "Substantial Shareholders" below. Pursuant to the SFO, Dr Kwan Pak Hoo Bankee was deemed to be interested in all the shares held by CIGL in CFSG.

Save as disclosed above, as at 31 December 2024, none of the Directors, chief executive or their associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEMES

A. The Company

The Old Share Option Scheme adopted by the Company on 21 May 2012 was terminated pursuant to an ordinary resolution passed at the SGM held on 30 September 2021. The New Share Option Scheme was adopted pursuant to an ordinary resolution passed at the SGM held on 30 September 2021 in place of the Old Share Option Scheme dated 21 May 2012. The Old and New Share Option Schemes were adopted before the new Chapter 17 of the Listing Rules effective on 1 January 2023. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the Old and New Share Option Schemes.

No share option has been granted by the Company and no share options were outstanding, lapsed, cancelled or exercised under the Old Share Option Scheme and New Share Option Scheme of the Company for the year ended 31 December 2024. Particulars of the Old Share Option Scheme and New Share Option Scheme are set out in note 41 to the consolidated financial statements.

The total number of Shares available for issue under the New Share Option Scheme is 8,072,018, representing approximately 10% of the weighted average number of issued Shares as at the date of this annual report. There were no outstanding options granted under the Old Share Option Scheme as at the date of this annual report, therefore no Shares were available for issue under the Old Share Option Scheme.

The number of options available for grant under the mandate of the New Share Option Scheme as at 1 January 2024 and 31 December 2024 was 8,072,018. The Old Share Option Scheme was terminated on 30 September 2021 and therefore no options were available for grant as at 1 January 2024 and 31 December 2024.

B. The subsidiary

CFSG

The CFSG Share Option Scheme was adopted pursuant to an ordinary resolution passed at the annual general meeting of CFSG held on 8 June 2018. The CFSG Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules effective on 1 January 2023. CFSG will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the CFSG Share Option Scheme.

Details of the movements in the share options to subscribe for shares of HK$0.04 each in CFSG granted under the CFSG Share Option Scheme during the year ended 31 December 2024 are set out below:

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

Notes:

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

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

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

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

(5) Other Employee Participants include employee of the Company and its subsidiaries.

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

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

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

SHARE AWARD SCHEME

The subsidiary

CFSG

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

Particulars of the terms of the Share Award Scheme are set out in note 42 to the consolidated financial statements.

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

SUBSTANTIAL SHAREHOLDERS

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

Name	Capacity	Number of Shares	Shareholding (%)
Hobart Assets Limited (Notes (1) & (2))	Interest in a controlled corporation	39,599,098	49.05
Cash Guardian (Notes (1) & (2))	Beneficial owner	39,599,098	49.05
Mr Wang Shui Ming (Note (3))	Beneficial owner, interest in a controlled corporation and other interest	4,110,245	5.09
Mr Lai Wing Hung (Note (4))	Beneficial owner, interest in a controlled corporation and other interest	4,037,405	5.00
Ms Leung Ka May Liza (Note (5))	Beneficial owner and other interest	4,037,405	5.00

Notes:

(1) This refers to the same number of the Shares held by Cash Guardian, a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan Pak Hoo Bankee. Pursuant to the SFO, Dr Kwan Pak Hoo Bankee and Hobart Assets Limited were deemed to be interested in the Shares held by Cash Guardian.

(2) Dr Kwan Pak Hoo Bankee (a Director whose interests is not shown in the above table) was interested and/or deemed be interested in a total of 40,197,599 Shares (49.79%), which were held as to 39,599,098 Shares by Cash Guardian and as to 598,501 Shares in his personal name. Detail of his interest is set out in the section "Directors Interests in Securities" above.

(3) The shareholding interest of Mr Wang Shui Ming was based on the notice dated 7 September 2020 (filed by him on 9 September 2020) pursuant to Divisions 2 and 3 of Part XV of the SFO after adjusting the number of Shares held by him due to the 20-to-1 share consolidation of the Company which took effect on 7 September 2020. Based on the said notice filed by Mr Wang Shui Ming, the Shares were held as to 1,022,061 in his personal name, as to 2,223,607 held by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang Shui Ming), and 864,577 held by him as nominee under a power of attorney. Pursuant to the SFO, Mr Wang Shui Ming was deemed to be interested in all these Shares.

(4) The shareholding interest of Mr Lai Wing Hung ("Mr Lai") was based on a notice dated 29 May 2024 (filed by him on 3 March 2025) pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Lai, the Shares were held as to 2,887,000 in his personal name, as to 414,405 held by Grimsby Consultants Limited (a 100%-owned controlled corporation of Mr Lai) and as to 736,000 held by Ms Leung Ka May Liza, spouse of Mr Lai. Pursuant to the SFO, Mr Lai was deemed to be interested in all these Shares.

(5) The shareholding interest of Ms Leung Ka May ("Ms Leung") was based on a notice dated 29 May 2024 (filed by her on 3 March 2025) pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Ms Leung, the Shares were held as to 736,000 in her personal name, as to 3,301,405 held by Mr Lai Wing Hung, spouse of Ms Leung. Pursuant to the SFO, Ms Leung was deemed to be interested in all these Shares.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

SUFFICIENCY OF PUBLIC FLOAT

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

MANAGEMENT CONTRACTS

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

EQUITY-LINKED AGREEMENTS

Save as the share option schemes and share award scheme of the Group as disclosed in notes 41 and 42 to the consolidated financial statements, no equity-linked agreements were entered into by the Group during the year ended 31 December 2024 or subsisted at the end of the year.

PERMITTED INDEMNITY PROVISION

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

CONFIRMATION OF INDEPENDENCE

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

AUDITOR

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

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

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

Hong Kong, 28 March 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE MEMBERS OF CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Celestial Asia Securities Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 74 to 168, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on goodwill and intangible assets with indefinite useful life allocated to the retailing business	
We identified the impairment assessment on goodwill and trademark with indefinite useful life allocated to the group of cash generating units ("CGUs") of retailing business as a key audit matter due to their significance to the consolidated financial statements as a whole and significant judgment and estimate involved in determining the recoverable amounts for the purposes of impairment assessment. As at 31 December 2024, the carrying amounts for impairment assessment of goodwill and trademark allocated to the group of CGUs of retailing business were HK$39,443,000 and HK$38,000,000 respectively. As set out in notes 4 and 21 to the consolidated financial statements, the recoverable amount of the group of CGUs of retailing business is determined by management of the Group with reference to the higher of its value in use and fair value less costs of disposal. The recoverable amount has been determined based on value in use calculations. The management of the Group estimated the value in use using the present value of the future cash flows expected to be generated by the CGUs based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies. Accordingly, based on the results of the impairment assessment conducted by management of the Group, it is concluded that no impairment loss in respect of goodwill and trademark is required for the year ended 31 December 2024. Further details of the impairment assessment are set out in note 21 to the consolidated financial statements.	Our procedures in relation to the impairment assessment on goodwill and intangible assets with indefinite useful life allocated to group of CGUs of the retailing business included: • understanding the impairment assessment of goodwill and intangible assets with indefinite useful performed by management of the Group; • involving internal valuation specialists in evaluating the mathematical accuracy of the value in use calculations and the reasonableness of key assumptions and inputs used by the management of the Group, including the future cash flows expected to be generated by the retailing business based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies; and • comparing the recoverable amount of the group of CGUs of retailing business with its carrying amount.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Poon Kam Chuen.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Revenue	5	**883,657**	1,016,423
Cost of inventories	14	**(468,124)**	(553,580)
Other income	7	**7,773**	16,590
Other gains and losses, net	7	**19,399**	2,159
Salaries, allowances and related benefits	8	**(179,236)**	(194,992)
Other operating, administrative and selling expenses	11	**(207,903)**	(217,342)
Impairment losses under expected credit loss model, net of reversal	10	**(381)**	(42,906)
Depreciation of property and equipment	17	**(10,703)**	(15,466)
Depreciation of right-of-use assets	14	**(88,818)**	(124,485)
Finance costs	9	**(21,260)**	(25,070)
Loss before taxation		**(65,596)**	(138,669)
Income tax credit (expense)	13	**1,814**	(4,256)
Loss for the year	14	**(63,782)**	(142,925)
Other comprehensive (expense) income for the year, net of income tax			
Items that will not be reclassified to profit or loss:			
Fair value (loss) gain on financial assets at fair value through other comprehensive income ("FVTOCI")		**(4,072)**	1,493
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(591)**	(1,757)
		(4,663)	(264)
Total comprehensive expense for the year		**(68,445)**	(143,189)
Loss for the year attributable to:			
Owners of the Company		**(58,266)**	(108,009)
Non-controlling interests		**(5,516)**	(34,916)
		(63,782)	(142,925)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(62,929)**	(108,273)
Non-controlling interests		**(5,516)**	(34,916)
		(68,445)	(143,189)
Loss per share	15		
– Basic (HK cents)		**(72.18)**	(133.81)
– Diluted (HK cents)		**(72.18)**	(133.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property and equipment	17	**18,772**	29,083
Right-of-use assets	18	**68,494**	113,384
Goodwill	19	**39,443**	39,443
Intangible assets	20	**47,501**	47,501
Rental and utilities deposits	24	**8,326**	15,514
Financial assets at FVTOCI	26	**4,806**	25,821
Financial assets at fair value through profit or loss ("FVTPL")	27	**4,592**	4,691
Other assets		**4,940**	5,452
Deferred tax assets	22	**7,264**	5,450
		204,138	286,339
Current assets			
Inventories – finished goods held for sale		**22,830**	30,209
Accounts receivables	23	**118,179**	130,805
Prepayments, deposits and other receivables	24	**155,718**	186,765
Contract assets		**911**	2,838
Loans receivables	25	**10,886**	5,188
Tax recoverable		**–**	4,526
Financial assets at FVTPL	27	**41,490**	37,349
Fixed deposits with original maturity over three months	28	**423**	–
Pledged bank deposits	28	**32,818**	54,061
Bank balances – trust and segregated accounts	28	**308,246**	346,215
Bank balances (general accounts) and cash	28	**136,038**	233,362
		827,539	1,031,318
Current liabilities			
Accounts payable	29	**454,357**	499,437
Financial liabilities arising from consolidated investment funds	30	**1,515**	122
Accrued liabilities and other payables	31	**78,988**	103,720
Contract liabilities	32	**51,292**	62,504
Taxation payable		**6,652**	7,628
Lease liabilities	33	**45,855**	64,786
Borrowings	34	**175,127**	339,612
		813,786	1,077,809
Net current assets (liabilities)		**13,753**	(46,491)
Total assets less current liabilities		**217,891**	239,848

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	35	**16,144**	16,144
Reserves		**36,892**	99,821
Equity attributable to owners of the Company		**53,036**	115,965
Non-controlling interests	36	**43,094**	53,015
Total equity		**96,130**	168,980
Non-current liabilities			
Borrowings	34	**84,103**	–
Deferred tax liabilities	22	**11,111**	11,111
Lease liabilities	33	**26,547**	59,757
		121,761	70,868
		217,891	239,848

The consolidated financial statements on pages 74 to 168 were approved and authorised for issue by the board of directors on 28 March 2025 and are signed on its behalf by:

KWAN PAK HOO BANKEE
DIRECTOR

CHEUNG TSZ YUI MORTON
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Attributable to owners of the Company										**Non- controlling interests**		
	Notes	**Share capital** HK$'000	**Share premium** HK$'000 (Note (a))	**Contributed surplus** HK$'000 (Notes (b)&(c))	**General reserve** HK$'000	**Other reserve** HK$'000 (Note (d))	**Share option reserve** HK$'000	**Translation reserve** HK$'000	**Revaluation reserve** HK$'000 (Note (e))	**Accumulated losses** HK$'000	**Total** HK$'000	**Share of net assets of subsidiaries** HK$'000 (note 44)	**Share held for share awards scheme** HK$'000	**Total** HK$'000
At 1 January 2023		16,144	4,127	88,926	1,160	64,097	4,448	12,208	1,058	3,926	196,094	95,180	–	291,274
Loss for the year		–	–	–	–	–	–	–	–	(108,009)	(108,009)	(34,916)	–	(142,925)
Other comprehensive (expense) income for the year		–	–	–	–	–	–	(1,757)	1,493	–	(264)	–	–	(264)
Total comprehensive (expense) income for the year		–	–	–	–	–	–	(1,757)	1,493	(108,009)	(108,273)	(34,916)	–	(143,189)
Acquisition of additional interest in a subsidiary	37	–	–	–	–	40,258	–	–	–	–	40,258	(40,258)	–	–
Deemed disposal of partial interest in a subsidiary without loss of control	38	–	–	–	–	(12,114)	–	–	–	–	(12,114)	33,009	–	20,895
Lapse of share options		–	–	–	–	–	(4,448)	–	–	4,448	–	–	–	–
At 31 December 2023		16,144	4,127	88,926	1,160	92,241	–	10,451	2,551	(99,635)	115,965	53,015	–	168,980
Loss for the year		–	–	–	–	–	–	–	–	(58,266)	(58,266)	(5,516)	–	(63,782)
Other comprehensive expense for the year		–	–	–	–	–	–	(591)	(4,072)	–	(4,663)	–	–	(4,663)
Total comprehensive expense for the year		–	–	–	–	–	–	(591)	(4,072)	(58,266)	(62,929)	(5,516)	–	(68,445)
Purchase of shares held for share awards scheme of a subsidiary		–	–	–	–	–	–	–	–	–	–	–	(4,405)	(4,405)
Transferred to accumulated losses		–	–	–	–	–	–	–	(1,342)	1,342	–	–	–	–
At 31 December 2024		**16,144**	**4,127**	**88,926**	**1,160**	**92,241**	**-**	**9,860**	**(2,863)**	**(156,559)**	**53,036**	**47,499**	**(4,405)**	**96,130**

Notes:

(a) Under the Companies Act 1981 of Bermuda, the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

(b) Under the Companies Act 1981 of Bermuda, contributed surplus is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contribution surplus, if:

 (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

 (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(c) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1994 and the nominal value of the issued share capital of the Company issued in exchange thereof, and the net amount arising from the reduction of share premium account, capital reduction and the amounts transferred to set-off accumulated losses.

(d) The other reserve of the Group represents the reserve arising from the distribution of shares of CASH Financial Services Group Limited ("CFSG") in year 2000 and the issue of new shares of CFSG in year 2024 and the effect arising from the change in the Group's ownership interest in existing subsidiaries without losing control.

(e) Revaluation reserve of the Group represented the adjustment to the fair value of trademark (included in the intangible assets) related to previously held interest in an associate and fair value changes on financial assets at FVTOCI held by the associate were reclassified to accumulated losses upon deemed disposal of the associates and fair value gain/loss on financial assets at FVTOCI during the year.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Operating activities			
Loss before taxation		**(65,596)**	(138,669)
Adjustments for:			
Depreciation of property and equipment	17	**10,703**	15,466
Depreciation of right-of-use assets	18	**88,818**	124,485
Write-down of inventories	14	**1,977**	2,501
Finance costs	9	**21,260**	25,070
Interest income	7	**(2,499)**	(1,793)
Dividend income	7	**–**	(71)
Net gain on financial liabilities arising from consolidated investment funds	7	**(33)**	(5,635)
Net gain on fair value changes of financial assets at FVTPL	7	**(23,058)**	(1,396)
Impairment losses under expected credit loss model, net of reversal		**381**	42,906
Write-off of intangible assets	7	**–**	5,051
Loss on disposal of property and equipment	7	**2,467**	116
Loss on early termination of a lease	18	**855**	–
Operating cash flow before movements in working capital		**35,275**	68,031
Decrease in other assets		**512**	1,394
Decrease in inventories		**5,402**	23,913
Decrease in accounts and other receivable		**43,312**	32,796
Decrease (increase) in contract assets		**1,927**	(221)
Decrease in financial assets at FVTPL		**19,016**	1,343
Decrease in bank balances – trust and segregated accounts		**37,969**	135,981
Decrease in accounts payable		**(45,080)**	(182,710)
Decrease in accrued liabilities and other payables		**(24,732)**	(55,118)
(Decrease) increase in contract liabilities		**(11,212)**	13,776
Net cash generated from operations		**62,389**	39,185
Income taxes refund (paid)		**3,541**	(31)
Net cash from operating activities		**65,930**	39,154

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

	2024 HK$'000	2023 HK$'000
Investing activities		
Interest received	**2,499**	1,793
Dividend received	**–**	71
Increase in fixed deposits with original maturity over three months	**(423)**	–
Placement of pledged bank deposits	**–**	(2)
Withdrawal of pledged bank deposits	**21,243**	100
(Advance) repayment of loans receivable	**(5,575)**	7,383
Purchase of property and equipment	**(2,859)**	(4,170)
Refund of rental deposits	**5,149**	6,803
Proceed from disposal of financial assets at FVTOCI	**16,943**	–
Proceeds from disposal of financial assets at FVTPL	**–**	32,421
Purchase of financial assets at FVTPL	**–**	(18,002)
Net cash from investing activities	**36,977**	26,397
Financing activities		
Drawdown of borrowings	**483,514**	660,384
Repayment of borrowings	**(563,896)**	(696,017)
Repayment of lease liabilities	**(94,885)**	(127,766)
Interest paid on lease liabilities	**(4,347)**	(6,574)
Interest paid on borrowings	**(16,913)**	(18,496)
Contribution from third party investors to consolidated investment funds	**2,988**	–
Redemption to third party investors of consolidated investment funds	**(1,562)**	–
Purchase of shares for share award scheme	**(4,405)**	–
Proceeds from deemed disposal of partial interest in a subsidiary without loss of control	**–**	20,895
Net cash used in financing activities	**(199,506)**	(167,574)
Net decrease in cash and cash equivalents	**(96,599)**	(102,023)
Cash and cash equivalents at beginning of year	**233,362**	334,411
Effect of foreign exchange rate changes	**(725)**	974
Total cash and cash equivalents at end of year	**136,038**	233,362
Being:		
Bank balances (general accounts) and cash	**136,038**	233,362

1. GENERAL INFORMATION

Celestial Asia Securities Holdings Limited (the "Company") is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended) and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). As at 31 December 2024, Mr. Kwan Pak Hoo Bankee held 49.79% of ordinary share capital of the Company and he is the ultimate controlling shareholder. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of this annual report.

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

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 47.

2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the financial statements:

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

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

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

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

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

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

The directors of the Company anticipate that the application of the other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

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

Basis of preparation of consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Company's current liabilities exceeded its current assets by HK$88,906,000 (2023: HK$147,774,000) as at 31 December 2024. The directors of the Company have, at the time of approving these consolidated financial statements, a reasonable expectation that the Group has sufficient working capital, including the expectation of continuous roll-over of the existing trust receipts and term loans which are due within one year, presently available banking facilities and internal financial resources, to finance the Group's operations and to pay the Group's financial obligations as and when fall due within twelve months from the date of approval of these consolidated financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Material accounting policy information

Basis of consolidation

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

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

Material accounting policy information (continued)

Basis of consolidation (continued)

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

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

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

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

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

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

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

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets and liabilities of the subsidiary attributable to owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

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

Material accounting policy information (continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less any accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application of Hong Kong Financial Reporting Standard 16 "*Lease*" or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Allocation of consideration to components to a lease

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

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

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

Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

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

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

Material accounting policy information (continued)

Leases (continued)

The Group as a lessee (continued)

Lease liabilities

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

The lease payments include:

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

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

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

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

Material accounting policy information (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

Borrowing costs

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

Employee benefits

Retirement benefit costs

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

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

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

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

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

Material accounting policy information (continued)

Taxation

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

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

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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

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

Material accounting policy information (continued)

Property and equipment

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

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

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

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their costs).

Subsequent to initial recognition, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

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

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

Material accounting policy information (continued)

Impairment losses on property and equipment, right-of-use assets and intangible assets other than goodwill

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

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

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

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

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

Material accounting policy information (continued)

Cash and cash equivalents

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

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

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

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

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

Restoration provisions

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

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

Material accounting policy information (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for accounts receivable arising from contracts with customers which are initially measured in accordance with Hong Kong Financial Reporting Standard 15 "*Revenue from Contracts with Customers*". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

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

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated losses. Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

(iii) Financial assets at FVTPL

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

Impairment of financial assets

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

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

The Group always recognises lifetime ECL for accounts receivable arising from retailing business, contract assets and commission receivable from brokerage of general and life insurance, mutual funds and MPF products. The ECL on these assets are assessed based on the Group's historical default rates or default rates by reference to the probability of default, loss given default over the expected life and is adjusted for forward-looking estimates and are assessed individually for each debtor.

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

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

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

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

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

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

Foreign exchange gains and losses

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

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains/losses' line item (note 7) as part of the net foreign exchange gain (loss);
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains/losses' line item as part of the net gains/losses on financial assets at FVTPL (note 7);
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the fair value through other comprehensive income.

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities (continued)

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

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

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

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

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

(ii) Financial liabilities at amortised cost

Financial liabilities (including accounts payable, other payables and borrowings) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

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

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

Material accounting policy information (continued)

Equity-settled share-based payment transactions

Share options granted to employees of the Group for their services to the Group

The fair value of services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of share options granted at the grant date without taking into account any service and non-market performance vesting conditions. Services and non-market performance vesting conditions are included in assumptions about the number of share options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of share options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

In case of share options granted by a subsidiary, the share options reserve of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium of that subsidiary. The Group will account for the dilution as an equity transaction if the exercise of share options does not constitute a loss of the Group's control over that subsidiary. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits of the Group and non-controlling interests' share of net assets of that subsidiary according to the proportion of interests held by the Group and non-controlling shareholders on consolidation.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination on lease term of contracts with renewal options

The Group applies judgment to determine the lease term for lease contracts in which it is a lease that include renewal option, specifically, the leases relating to certain retail stores. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The assessment of whether the Group is reasonably certain to exercise renewal options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised. Re-assessment is performed upon the occurrence of either a significant event or a significant change in circumstances that is within the control of lessee and that affects the assessment.

When assessing reasonable certainty, the Group considers all relevant facts and circumstances including economic incentives/penalties for exercising or not exercising the options. Factors considered include:

- contractual terms and conditions for the optional periods compared with market rates;
- the extent of leasehold improvements undertaken by Group; and
- costs relating to termination of the lease (e.g. relocation costs and costs of identifying another underlying asset suitable for the Group's needs).

Key sources of estimation uncertainty

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

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

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

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

Inputs, assumptions and estimation techniques

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

Forward-looking information

The calculation of ECL considers forward-looking information through the use of publicly available economic data and forecasts and management judgement to reflect the qualitative factors and through the use of multiple probability weighted scenarios of the market performance.

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

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Estimated impairment of property and equipment, right-of-use assets and intangible assets with finite useful life

Property and equipment, right-of-use assets and intangible assets with finite useful life are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, the higher of the net present value of future cash flows which are estimated based upon the continued use of the asset in the case of value in use or fair value less cost of disposal; and (3) the appropriate key inputs to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate in determining fair value less cost of disposal as disclosed in note 21. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the inputs and estimates could materially affect the relevant fair value of the various CGUs.

In view of impairment indicators, the Group performed impairment assessment on property and equipment and right-of-use assets of HK$87,266,000 (2023: HK$142,467,000). No impairment losses have been recognised on property and equipment and right-of-use assets during the years ended 31 December 2023 and 2024. Details of the impairment assessment of property and equipment and right-of-use assets are disclosed in note 21.

Income taxes

Deferred tax asset of HK$1,814,000 (2023: nil) in relation to unused tax losses of HK$7,256,000 (2023: nil) for certain PRC subsidiaries has been recognised in the Group's consolidated statement of financial position. No deferred tax asset was recognised in the Group's consolidated statement of financial position in relation to the estimated unused tax losses of HK$1,593,790,000 (2023: HK$1,540,582,000) and deductible temporary differences of HK$105,140,000 (2023: HK$103,966,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on how the market volatility may progress and evolve. In case where the actual future profits generated are more than expected, recognition of deferred tax asset in relation to estimated unused tax losses and deductible temporary differences may arise, which would be recognised in the profit or loss for the period in which such a recognition takes place.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value of financial assets at FVTOCI

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

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

Estimated impairment of goodwill and intangible assets with indefinite life

Determining whether goodwill and intangible assets with indefinite life are impaired requires an estimation of recoverable amounts of relevant intangible assets and the respective group of CGUs in which the goodwill and intangible assets with indefinite life have been allocated, which is the higher of value in use and fair value less costs of disposal. The management of the Group estimates the value in use using the present value of the future cash flows expected to arise from the group of CGUs based on the cash flows from operations, taking into account revenue growth rates, gross margin and long term growth rate used in the cash flow projections and a suitable discount rate by reference to comparable companies. The discount rate reflects current market assessments of time value of money and the risks specific to the asset or the group of CGUs for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, a material impairment loss may arise.

Furthermore, the revenue growth rate and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on how the market volatility may progress and evolve, including potential disruptions of the Group's retail operations. Details of the recoverable amount calculation of the group of CGUs are disclosed in note 21.

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

	2024 HK$'000	2023 HK$'000
Types of goods or service		
Sales of furniture and household goods	**726,159**	807,866
Sales of electrical appliances	**61,191**	103,965
Sales of tailor-made furniture	**43,672**	46,672
Revenue from retailing segment	**831,022**	958,503
Investment management services	**6,926**	4,733
Broking services, wealth management services, handling and other services	**22,898**	23,921
Interest income arising from financial assets at amortised cost	**22,811**	29,266
	883,657	1,016,423
Timing of revenue recognition		
A point in time	**833,059**	965,018
Over time	**50,598**	51,405
	883,657	1,016,423
Geographical market		
Hong Kong	**878,623**	1,011,690
The People's Republic of China (the "PRC")	**5,034**	4,733
	883,657	1,016,423

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

Revenue from contracts with customers

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

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

5. REVENUE (continued)

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

Revenue from contracts with customers (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Broking services

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

Wealth management services

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

Handling and other services

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

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

5. REVENUE (continued)

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

Handling and other services (continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Sales of furniture and household goods and electronic appliances

The Group makes sales transactions of furniture and household goods and electronic appliances with customers both through its own retail stores directly and through internet sales.

For sales of furniture and household goods and electronic appliances to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchased and took the goods at the retail stores directly or being when the goods have been transported to the customers' specific location (delivery). Transportation and other related activities that occur before customers obtain control of the related products are considered as fulfilment activities. Payment of the transaction price is due immediately at the point the customer purchases the goods in the retail stores, except for corporate customers that the Group allows an average credit period of 30 days for their accounts receivable. The transaction price received by the Group for goods that require delivery is recognised as a contract liability until the goods have been delivered to the customer.

For internet sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been transported to the customer's specific location. Transportation and other related activities that incurred before customers obtain control of the related products are considered as fulfilment activities. When the customer initially purchases the goods online, the transaction price is due immediately and amount received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Sales of tailor-made furniture

The Group makes sales transactions of tailor-made furniture through its own retail stores.

Revenue are recognised over time as the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised for these tailor-made orders based on the stage of completion of the contract using input method.

5. REVENUE (continued)

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

Sales of tailor-made furniture (continued)

The Group requires customers to provide full amount of upfront payments. When the Group receives the advance payments in the retail stores, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

Customer loyalty programme

The Group operates a customer loyalty programme for sales through the Group's retail stores and internet sales where retail customer award points for purchases made which entitle them to redeem award points as sales discounts in the future. The transaction price is allocated to the product and the award points on a relative stand-alone selling price basis. The customer loyalty award points expire every year and customers can redeem the award points any time before the specified expiration date. Revenue from the award points is recognised when the award points are redeemed or expired. Contract liabilities are recognised until the award points are redeemed or expired. The sales discounts is recognised and net to the revenue.

Investment management services

Investment management services to customers are recognised over time as the Group provides investment management services and the customers simultaneously receives and consumes the benefit provided by the Group. The investment management income is charged at a fixed percentage per annum of the asset value of the accounts under management of the Group. The fees are recognised progressively over time using a method that depicts the Group's performance. The Group is also entitled to a performance fee for certain accounts when pre-set performance target for the relevant performance period is met. The performance fee is recognised point in time when it is highly probable that a significant reversal in the revenue recognised will not occur when the performance target is evaluated on an annual basis for each of the account. Management fee is normally due on account opening date and the subsequent anniversary date while performance fee is normally due at the end of the relevant performance period.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method – tailor-made furniture

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

5. REVENUE (continued)

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

Investment management services (continued)

Variable consideration

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

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

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

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations (sales of goods and award credits for customers under the Group's customer loyalty scheme), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

5. REVENUE (continued)

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

Investment management services (continued)

Principal versus agent consideration (agent)

The Group is considered as an agent for its contracts with customers related to the revenue from the broking services, wealth management services, investment management services and handling and other services as the Group does not obtain the control over the services before they are passed on to customers. This determination takes into account indicators such as the Group is not primarily responsible for fulfilling the promise made and not being exposed to inventory risk.

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

As at 31 December 2024 and 2023, contracts with customers with unsatisfied performance obligations, including customer loyalty award points, have original expected durations of one year or less. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts or customer loyalty programmes are not disclosed.

6. SEGMENT INFORMATION

Segment information

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided.

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

Retailing	Sales of furniture and household goods and electrical appliances
Investment Management	Provision of investment management services to the fund investors
Other Financial Services	Provision of broking and wealth management services under the business operations of CFSG

6. SEGMENT INFORMATION (continued)

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

	Retailing HK$'000	**Investment management HK$'000**	**Other financial services HK$'000**	**Consolidated HK$'000**
Revenue	**831,022**	**6,926**	**45,709**	**883,657**
Segment (loss) profit	**(10,200)**	**10,366**	**(37,049)**	**(36,883)**
Unallocated other income				**258**
Corporate expenses				**(24,215)**
Unallocated finance costs				**(4,756)**
Loss before taxation				**(65,596)**

For the year ended 31 December 2023

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
Revenue	958,503	4,733	53,187	1,016,423
Segment (loss) profit	(19,291)	3,751	(95,888)	(111,428)
Unallocated other income				246
Unallocated other gains and losses				2,396
Corporate expenses				(24,957)
Unallocated finance costs				(4,926)
Loss before taxation				(138,669)

All the segment revenue is derived from external customers.

Segment result represents the profit earned/loss incurred by each segment without allocation of certain other income, certain other gains and losses, corporate expenses, share of loss of associates and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

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

As at 31 December 2024

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	**291,665**	**132,409**	**585,131**	**1,009,205**
Unallocated right-of-use assets				**4,373**
Loan receivables				**3,200**
Unallocated financial assets at FVTPL				**966**
Unallocated prepayments, deposits and other receivables				**3,603**
Unallocated bank balances and cash				**10,330**
Total assets				**1,031,677**
LIABILITIES				
Segment liabilities	**384,466**	**22,055**	**413,680**	**820,201**
Unallocated accrued liabilities and other payables				**10,099**
Tax payable				**15,269**
Unallocated lease liabilities				**5,875**
Unallocated borrowings				**84,103**
Total liabilities				**935,547**

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

As at 31 December 2023

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	416,644	135,602	733,497	1,285,743
Unallocated property and equipment				348
Unallocated right-of-use assets				9,735
Tax recoverable				4,526
Loans receivables				900
Unallocated financial assets at FVTPL				966
Unallocated prepayments, deposits and other receivables				7,409
Unallocated bank balances and cash				8,030
Total assets				1,317,657
LIABILITIES				
Segment liabilities	494,879	23,767	486,559	1,005,205
Unallocated accrued liabilities and other payables				19,835
Tax payable				15,260
Unallocated lease liabilities				12,317
Unallocated borrowings				96,060
Total liabilities				1,148,677

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

- all assets are allocated to the reportable and operating segment other than certain property and equipment, certain right-of-use assets, tax recoverable, deferred tax assets, loans receivables, certain financial assets at FVTPL, certain prepayments, deposits and other receivables and certain bank balances and cash; and

- all liabilities are allocated to reportable and operating segment other than certain accrued liabilities and other payables, taxation payable, certain deferred tax liabilities, certain lease liabilities and certain borrowings.

6. SEGMENT INFORMATION (continued)

Other segment information

For the year ended 31 December 2024

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property and equipment	**2,835**	**–**	**24**	**–**	**2,859**
Additions of right-of-use assets	**43,633**	**–**	**1,150**	**–**	**44,783**
Interest income	**2,417**	**–**	**–**	**82**	**2,499**
Depreciation of property and equipment	**8,835**	**10**	**1,858**	**–**	**10,703**
Depreciation of right-of-use assets	**74,753**	**1,604**	**7,099**	**5,362**	**88,818**
Finance costs	**12,349**	**123**	**4,032**	**4,756**	**21,260**
Net gain on financial assets/liabilities at FVTPL	**–**	**(21,335)**	**(1,723)**	**–**	**(23,058)**
Write-down of inventories	**1,977**	**–**	**–**	**–**	**1,977**
Loss on disposal of property and equipment	**1,739**	**–**	**728**	**–**	**2,467**
Loss on early termination of a lease	**–**	**–**	**855**	**–**	**855**

For the year ended 31 December 2023

	Retailing HK$'000	Investment management HK$'000	Other financial services HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Additions of property and equipment	3,919	61	190	–	4,170
Additions of right-of-use assets	37,441	1,498	–	5,367	44,306
Interest income	1,205	500	–	88	1,793
Depreciation of property and equipment	14,538	8	918	2	15,466
Depreciation of right-of-use assets	107,626	1,768	11,067	4,024	124,485
Finance costs	14,642	218	5,284	4,926	25,070
Net (gain) loss on financial assets/liabilities at FVTPL	–	(10,526)	11,527	(2,397)	(1,396)
Write-down of inventories	2,501	–	–	–	2,501
Loss on disposal of property and equipment	95	–	21	–	116
Write-off of intangible assets	–	–	5,051	–	5,051

6. SEGMENT INFORMATION (continued)

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2024 HK$'000	2023 HK$'000
Sales of furniture and household goods	**769,831**	854,538
Sales of electrical appliances	**61,191**	103,965
Broking and wealth management services	**45,709**	53,187
Management fee from investment management services		
– Fixed	**1,851**	1,234
– Variable	**5,075**	3,499
	883,657	1,016,423

Geographical information

The Group's operations are located in Hong Kong and the PRC.

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

	Revenue		**Non-current assets**	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Hong Kong	**878,623**	1,011,690	**179,137**	230,535
PRC	**5,034**	4,733	**13**	4,328
	883,657	1,016,423	**179,150**	234,863

No customers individually contributed over 10% of the Group's revenue during both years.

7. OTHER INCOME, OTHER GAINS AND LOSSES, NET

	2024 HK$'000	2023 HK$'000
Other income		
Dividends from financial assets at FVTPL	**–**	71
Interest income from banks and loans receivable	**1,403**	208
Interest income from rental deposits	**1,096**	1,585
Sundry income	**5,274**	14,726
	7,773	16,590

7. OTHER INCOME, OTHER GAINS AND LOSSES, NET (continued)

	2024 HK$'000	2023 HK$'000
Other gains and losses, net		
Net gain on financial assets at FVTPL (Note)	**23,058**	1,396
Net gain on financial liabilities arising from consolidated investment funds	**33**	5,635
Loss on disposal of property and equipment	**(2,467)**	(116)
Loss on early termination of a lease	**(855)**	–
Write-off of intangible assets	**–**	(5,051)
Net foreign exchange (loss) gain	**(370)**	295
	19,399	2,159

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

8. SALARIES, ALLOWANCES AND RELATED BENEFITS

	2024 HK$'000	2023 HK$'000
Salaries, allowances and related benefits represent the amounts paid and payable to the directors of the Company and employees comprises of:		
Salaries and allowances	**157,548**	169,538
Sales commission	**17,141**	21,051
Contributions to retirement benefits schemes	**4,547**	4,403
	179,236	194,992

9. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on:		
– bank borrowings	**9,117**	9,911
– lease liabilities	**4,347**	6,574
– loan from a related company	**7,796**	8,585
	21,260	25,070

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

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

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

11. OTHER OPERATING, ADMINISTRATIVE AND SELLING EXPENSES

	2024	2023
	HK$'000	HK$'000
Auditor's remuneration	**5,047**	4,670
Handling expenses for securities dealing	**1,666**	1,758
Advertising and promotion expenses	**12,446**	30,154
Utilities expenses	**14,783**	17,227
Telecommunication expenses	**13,927**	13,048
Repair and maintenance expenses	**4,471**	6,224
Printing and stationery expenses	**2,276**	2,892
Licence and registration fee	**9,130**	10,478
Legal and professional fees	**12,612**	9,956
Travelling and entertainment expenses	**6,761**	8,567
Other selling and distribution expenses	**59,408**	51,183
Expenses relating to short-term and low-value leases	**543**	2,663
Variable lease payments	**5,905**	10,160
Rates and building management fee	**33,066**	32,510
Insurance	**4,551**	2,266
Others	**21,311**	13,586
	207,903	217,342

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION

Directors' and chief executive's remuneration

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

	Executive directors					Independent non-executive directors			
	Kwan Pak Hoo Bankee HK$'000 (Note (1))	Leung Siu Pong James HK$'000	Kwan Teng Hin Jeffrey HK$'000	Kwan Iec Teng Janet HK$'000 (Note (4))	Cheung Tsz Yui Morton HK$'000 (Note (3))	Leung Ka Kui Johnny HK$'000	Chan Hak Sin HK$'000	Wong Chuk Yan HK$'000	Total HK$'000
2024									
Fee	–	–	–	–	–	150	150	–	300
Other remuneration:									
Salaries and allowances	4,200	330	960	480	1,420	–	–	–	7,390
Contributions to retirement benefits scheme	30	17	36	9	36	–	–	–	128
Total remuneration	4,230	347	996	489	1,456	150	150	–	7,818

	Executive directors					Independent non-executive directors			
	Kwan Pak Hoo Bankee HK$'000 (Note (1))	Leung Siu Pong James HK$'000	Kwan Teng Hin Jeffrey HK$'000	Li Shing Wai Lewis HK$'000 (Note (2))	Cheung Tsz Yui Morton HK$'000 (Note (3))	Leung Ka Kui Johnny HK$'000	Chan Hak Sin HK$'000	Wong Chuk Yan HK$'000	Total HK$'000
2023									
Fee	–	–	–	–	–	150	150	–	300
Other remuneration:									
Salaries and allowances	4,200	1,870	1,140	595	623	–	–	–	8,428
Contributions to retirement benefits scheme	36	36	36	9	11	–	–	–	128
Total remuneration	4,236	1,906	1,176	604	634	150	150	–	8,856

Notes:

(1) Dr Kwan Pak Hoo Bankee is also the Company's chief executive and his remunerations disclosed above include those for services rendered by him as chief executive.

(2) Mr Li Shing Wei Lewis resigned as director of the Company on 20 June 2023.

(3) Mr Cheung Tsz Yui Morton was appointed as director of the Company on 20 June 2023.

(4) Ms Kwan Iec Teng Janet was appointed as director of the Company on 5 July 2024.

The emoluments of executive directors are for their services in connection with the management of the affairs of the Company and the Group. The emoluments of independent non-executive directors are for their services as directors of the Company.

During both years, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years.

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION (continued)

Directors' and chief executive's remuneration (continued)

The performance related bonuses (if any) of executive directors are based on the review and recommendation from the remuneration committee of the Company with reference to the performance in discharging their duties and responsibilities within the Group, the Group's performance and prevailing market situation.

Employees' remuneration

The five highest paid employees of the Group during the year included three directors (2023: two directors), details of whose remuneration are set out in the disclosures above. Details of the remuneration for the year of the remaining two (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 **HK$'000**	2023 HK$'000
Salaries and allowances	**1,344**	2,639
Performance related bonus (Note)	**1,776**	7,520
Contributions to retirement benefits scheme	**36**	54
	3,156	10,213

Note: The performance related bonus are based on the performance of individuals and market trends.

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

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

13. INCOME TAX CREDIT (EXPENSE)

	2024 **HK$'000**	2023 HK$'000
Current tax:		
– Hong Kong Profits Tax	**–**	–
– PRC Enterprise Income Tax	**–**	(22)
Overprovisions in prior years	**–**	228
	–	206
Deferred tax (Note 22)	**1,814**	(4,462)
	1,814	(4,256)

13. INCOME TAX CREDIT (EXPENSE) (continued)

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

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

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

	2024 **HK$'000**	2023 HK$'000
Loss before taxation	**(65,596)**	(138,669)
Tax at domestic income tax rate of 16.5% (2023: 16.5%)	**(10,823)**	(22,880)
Tax effect of expenses not deductible for tax purpose	**5,319**	29,494
Tax effect of income not taxable for tax purpose	**(4,904)**	(14,687)
Tax effect of deductible temporary difference not recognised	**366**	650
Tax effect of utilisation of deductible temporary difference previously not recognised	**(172)**	(67)
Tax effect of estimated tax losses not recognised	**12,507**	13,302
Tax effect of utilisation of estimated tax losses previously not recognised	**(3,726)**	(1,177)
Tax effect on two-tiered tax rate	**–**	(165)
Overprovisions in prior years	**–**	(228)
Others	**(381)**	14
Income tax (credit) expense	**(1,814)**	4,256

14. LOSS FOR THE YEAR

	2024 **HK$'000**	2023 HK$'000
Loss for the year has been arrived at after charging:		
Depreciation of right-of-use assets (Note 18)	**88,818**	124,485
Cost of inventories in retailing business (including write-down of inventories of HK$1,977,000 (2023: HK$2,501,000))	**468,124**	553,580

15. LOSS PER SHARE

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

	2024	2023
	HK$'000	HK$'000
Loss		
Loss for the purposes of basic and diluted loss per share	**(58,266)**	(108,009)

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**80,720**	80,720

The incremental shares from assumed exercise of share options granted by the Company are excluded in calculating the diluted loss per share during the years ended 31 December 2024 and 2023 because they are antidilutive in calculating the diluted loss per share.

The effect of assumed exercise of share options granted by CFSG are excluded in calculating the diluted loss per share for years of 2024 and 2023 because they are antidilutive.

16. DIVIDENDS

No dividend was paid or proposed during 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

17. PROPERTY AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST				
At 1 January 2023	94,441	28,087	4,147	126,675
Additions	415	3,755	–	4,170
Disposals	(12,910)	(4,314)	–	(17,224)
At 31 December 2023	81,946	27,528	4,147	113,621
Additions	159	2,700	–	2,859
Disposals	(18,624)	(9,432)	–	(28,056)
At 31 December 2024	63,481	20,796	4,147	88,424
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 1 January 2023	70,618	12,197	3,365	86,180
Provided for the year	9,459	5,925	82	15,466
Eliminated on disposals	(12,910)	(4,198)	–	(17,108)
At 31 December 2023	67,167	13,924	3,447	84,538
Provided for the year	5,563	5,058	82	10,703
Eliminated on disposals	(18,610)	(6,979)	–	(25,589)
At 31 December 2024	54,120	12,003	3,529	69,652
CARRYING AMOUNTS				
At 31 December 2024	9,361	8,793	618	18,772
At 31 December 2023	14,779	13,604	700	29,083

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

Leasehold improvements	Shorter of the lease terms or 5 years
Furniture, fixtures and equipment	3 to 7 years
Motor vehicles	3 to 5 years

18. RIGHT-OF-USE ASSETS

	Leased properties HK$'000	Motor vehicles HK$'000	Total HK$'000
COST			
At 1 January 2023	1,008,873	2,322	1,011,195
Additions	44,306	–	44,306
Written off upon end of leases	(256,161)	–	(256,161)
Exchange adjustments	(59)	–	(59)
At 31 December 2023	796,959	2,322	799,281
Additions	44,783	–	44,783
Written off upon end of leases	(286,952)	(2,322)	(289,274)
Early termination of a lease	(1,498)	–	(1,498)
At 31 December 2024	553,292	–	553,292
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2023	815,426	2,179	817,605
Provided for the year	124,342	143	124,485
Written off upon end of leases	(256,161)	–	(256,161)
Exchange adjustments	(32)	–	(32)
At 31 December 2023	683,575	2,322	685,897
Provided for the year	88,818	–	88,818
Written off upon end of leases	(286,952)	(2,322)	(289,274)
Early termination of a lease	(643)	–	(643)
At 31 December 2024	484,798	–	484,798
CARRYING VALUES			
At 31 December 2024	68,494	–	68,494
At 31 December 2023	113,384	–	113,384

The Group has the following expenses and cash outflow in relation to leases:

	2024 HK$'000	2023 HK$'000
Additions	**44,783**	44,306
Expense relating to short-term leases	**533**	2,623
Expense relating to leases of low-value assets, excluding short-term leases of low value assets	**10**	40
Variable lease payments not included in the measurement of lease liabilities	**5,905**	10,160
Total cash outflow of the leases	**105,680**	147,163

18. RIGHT-OF-USE ASSETS (continued)

For both years, the Group leases various retail stores, warehouses, office premises and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 3 years (2023: 1 year to 4 years), but may have extension options for certain lease contracts as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for smaller office premises and office equipment. For the year ended 31 December 2024, the Group also entered into several short-term leases for advertising billboards. The short-term lease expense disclosed above, which excluded expenses relating to leases with a lease term of one month or less.

Variable lease payments

Leases of retail stores are either with only fixed lease payments or higher of variable lease payment that are based on 5% to 13% (2023: 5% to 14%) of sales and minimum annual lease payment that are fixed over the lease term. The payment terms are common in retail stores in Hong Kong where the Group operates. The amount of fixed and variable lease payments paid/payable to relevant lessors:

	Number of retail stores	Fixed payments	Variable payments	Total
		HK$'000	HK$'000	HK$'000
Year ended 31 December 2024				
Retail stores without variable lease payments	6	**24,121**	**N/A**	**24,121**
Retail stores with variable lease payments	13	**52,804**	**5,905**	**58,709**
		76,925	**5,905**	**82,830**
Year ended 31 December 2023				
Retail stores without variable lease payments	6	26,532	N/A	26,532
Retail stores with variable lease payments	16	68,007	10,160	78,167
		94,539	10,160	104,699

The overall financial effect of using variable payment terms is that higher rental costs are incurred by stores with higher sales. Variable rent expenses are expected to continue to represent a similar proportion of retail store sales in future years.

18. RIGHT-OF-USE ASSETS (continued)

Extension and termination options

The Group has extension option in certain leases for retail stores as at 31 December 2024 and 2023. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The potential exposures to these future lease payments for extension options in which the Group is not reasonably certain to exercise is summarised below:

	Lease liabilities recognised as at 31 December 2024 HK$'000	**Potential future lease payments not included in lease liabilities (undiscounted) as at 31 December 2024 HK$'000**	Lease liabilities recognised as at 31 December 2023 HK$'000	Potential future lease payments not included in lease liabilities (undiscounted) as at 31 December 2023 HK$'000
Retail stores – Hong Kong	**9,733**	**10,800**	9,094	10,800

During the year ended 31 December 2024 and 2023, the Group has no exercised any extension option. The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2024 and 2023, there is no such triggering event.

Restrictions or covenants on leases

In addition, lease liabilities of HK$72,402,000 are recognised with related right-of-use assets of HK$68,494,000 as at 31 December 2024 (2023: lease liabilities of HK$124,543,000 are recognised with related right-of-use assets of HK$113,384,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in notes 33 and 40.

19. GOODWILL

	HK$'000
COST	
At 1 January 2023, 31 December 2023 and 31 December 2024	238,440
IMPAIRMENT	
At 1 January 2023, 31 December 2023 and 31 December 2024	198,997
CARRYING AMOUNTS	
At 31 December 2023	39,443
At 31 December 2024	39,443

The carrying amounts of goodwill are allocated to the retailing CGU. Particulars regarding impairment testing on goodwill as at 31 December 2024 and 2023 are disclosed in note 21.

20. INTANGIBLE ASSETS

	Domain name HK$'000 (Note (a))	**Trademark** HK$'000 (Note (b))	**Trading rights of financial services** HK$'000 (Note (c))	**Total** HK$'000
COST				
At 1 January 2023	5,460	38,000	9,092	52,552
Written-off	–	–	(5,051)	(5,051)
At 31 December 2023 and 31 December 2024	5,460	38,000	4,041	47,501
AMORTISATION AND ACCUMULATED IMPAIRMENT				
At 1 January 2023, 31 December 2023 and 31 December 2024	–	–	–	–
CARRYING AMOUNTS				
At 31 December 2024	5,460	38,000	4,041	47,501
At 31 December 2023	5,460	38,000	4,041	47,501

20. INTANGIBLE ASSETS (continued)

Notes:

(a) At 31 December 2024, intangible assets with carrying amounts of HK$5,460,000 (2023: HK$5,460,000) represent domain name. It represents the legal and beneficial ownership of domain name "www.shanghai.com" and has indefinite useful life. The domain name is considered by management of the Group as having an indefinite useful life because it is expected to be used indefinitely. The domain name will not be amortised until its useful life is determined to be finite, instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

For the purpose of impairment testing on domain name at 31 December 2024 and 2023, the recoverable amount has been determined based on fair value less costs of disposal. The fair value less costs of disposal is arrived at by market approach, with reference to the desirability of the domain name through recent sales or offering of similar domain name currently on the market in order to arrive at an indication of the most probable selling price for the domain name. The fair value less costs of disposal at 31 December 2024 and 2023 was supported by a valuation carried out by Peak Vision Appraisals Limited, an independent qualified professional valuer not connected with the Group.

(b) At 31 December 2024, trademark amounting to HK$38,000,000 (2023: HK$38,000,000) represents the perpetual right for the use of the brand name 'Pricerite' in Hong Kong which takes the form of a sign, symbol, name, logo design or any combination thereof arising from acquisition of retail business. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the products are expected to generate future economic benefits for the Group. As a result, the trademark is considered by the management of the Group as having an indefinite useful life. The trademark will not be amortised until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars regarding impairment testing on trademark are disclosed in note 21.

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

For impairment testing purpose, the recoverable amount of the trading rights is determined based on the fair value less cost of disposal. The directors of the Company consider that the fair value less cost of disposal of the trading rights is more than the carrying amounts and accordingly, no impairment is recognised in profit or loss for both years. During the year ended 31 December 2023, certain trading rights amounted to HK$5,051,000 were written-off.

21. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL

(a) Retailing CGU

For the purpose of impairment testing, the carrying amounts of goodwill and trademark set out in notes 19 and 20 have been allocated to the group of retailing CGUs.

Goodwill of HK$39,443,000 (2023: HK$39,443,000) and trademark of HK$38,000,000 (2023: HK$38,000,000) are allocated to the group of CGUs of retailing business in Hong Kong. In addition to goodwill and trademark, a portion of property and equipment of HK$14,783,000 (2023: HK$23,301,000) and right-of-use assets (including allocation of corporate assets) of HK$57,468,000 (2023: HK$88,576,000) that generate cash flows together with the related goodwill and trademark are also included in the group of CGUs of retailing business for the purpose of impairment assessment.

The recoverable amount of the group of CGUs of retailing business has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a three-year period having an average annual growth rate of 2.5% and pre-tax discount rate of 17.2% (2023: three-year period, average annual growth rate of 2.5% and pre-tax discount rate of 16.3%) and projection of terminal value using the perpetuity method at a growth rate of 2.5% (2023: 2.5%). A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development in Hong Kong.

21. IMPAIRMENT ASSESSMENT ON PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL (continued)

(a) Retailing CGU (continued)

The cash flow projections and growth rates have been taking reference to the Group's financial performance for the years ended 31 December 2024 and 2023 and management's expectations using market data.

No impairment on this group of CGUs is made for both years as the recoverable amount exceeded the carrying amount. Management of the Group believes that any reasonably possible change in any of the assumptions would not cause the carrying amount of the group of CGUs to exceed the recoverable amount of the above CGUs.

(b) Financial Services CGU

For the years ended 31 December 2024 and 2023, due to the Group's sustained losses and the heightened market uncertainty surrounding both the global and local economic landscapes, the management of the Group determined that there were indicators of impairment on property and equipment. The Group estimates the recoverable amount of the various CGUs of broking and wealth management services and proprietary trading activities which in aggregate are reported as financial services segment and investment management which is a separate segment to which the asset belongs, using the higher of value in use and fair value less cost of disposal of the respective CGU.

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

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

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

For the year ended 31 December 2024 and 2023, based on the results of the assessment, management of the Group determined that no impairment on property and equipment is required.

22. DEFERRED TAX ASSETS/LIABILITIES

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024	2023
	HK$'000	HK$'000
Deferred tax assets	**7,264**	5,450
Deferred tax liabilities	**(11,111)**	(11,111)
	(3,847)	(5,661)

The following are the major deferred tax assets and liabilities recognised and the movements thereon during the current and prior years:

	Tax lossess	**Decelerated tax depreciation**	**Unrealised gain on financial assets at FVTPL**	**Fair value adjustment on intangible assets under business combination**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	–	5,450	(176)	(6,649)	(1,375)
Charge to profit or loss (Note 13)	–	–	(11,111)	6,649	(4,462)
Exchange adjustment	–	–	176	–	176
At 31 December 2023	–	5,450	(11,111)	–	(5,661)
Charge to profit or loss (Note 13)	1,814	–	–	–	1,814
At 31 December 2024	1,814	5,450	(11,111)	–	(3,847)

As at 31 December 2024, the Group has deductible temporary differences in respect of decelerated tax depreciation and estimated unused tax losses of HK$105,140,000 and HK$1,593,790,000 (2023: HK$103,966,000 and HK$1,540,582,000) available for offset against future profits. A deferred tax has been recognised in respect of HK$7,256,000 (2023: nil) of such losses. No deferred tax asset has been recognised in respect of the remaining deductible temporary differences and estimated unused tax losses of HK$105,140,000 and HK$1,586,534,000 (2023: HK$103,966,000 and HK$1,540,582,000) due to the unpredictability of future profit streams.

For certain subsidiaries operating in the PRC, unrecognised tax losses of HK$5,776,000 (2023: HK$6,852,000) will expire in various dates up to 2028 (2023: 2027). The remaining unrecognised tax losses of the Group can be carried forward indefinitely.

23. ACCOUNTS RECEIVABLES

	Notes	2024 HK$'000	2023 HK$'000
Accounts receivable arising from retailing business	(a)	**1,013**	2,039
Accounts receivable arising from the business of dealing in securities	(b)	**42,434**	37,178
Accounts receivable arising from the business of margin financing	(b)	**114,506**	127,276
Accounts receivable arising from the business of dealing in futures and options	(b)	**15,469**	19,051
Less: allowance for impairment		**(55,243)**	(54,739)
		118,179	130,805

As at 1 January 2023, the accounts receivable arising from retailing business were amounted to HK$1,268,000.

Notes:

(a) The Group allows an average credit period of 30 – 60 days to its corporate customers on retailing business. The ageing analysis based on the invoice date, which is approximately the revenue recognition date, is as follows:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**782**	843
31 – 60 days	**33**	117
61 – 90 days	**43**	11
Over 90 days	**155**	1,068
	1,013	2,039

As at 31 December 2024, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of HK$198,000 (2023: HK$1,079,000) which are past due as at the reporting date. Out of the past due balances, HK$155,000 (2023: HK$1,068,000) has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered fully recoverable due to the management's historical experience on the settlement pattern or record from these debtors. The Group does not hold any collateral over these balances.

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

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

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

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

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

24. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES

	Notes	2024 HK$'000	2023 HK$'000
Receivables from securities brokers	(a)	**91,688**	106,284
Prepayments		**7,272**	14,985
Rental deposits		**27,614**	38,930
Other deposits	(b)	**12,778**	18,040
Other receivables	(b)	**24,692**	24,040
		164,044	202,279
Analysed for reporting purposes as:			
Current assets		**155,718**	186,765
Non-current assets		**8,326**	15,514
		164,044	202,279

Notes:

(a) Receivables from securities brokers represents deposits placed with securities brokers for securities trading purposes and carry interest at prevailing market rates.

(b) Other deposits and other receivables are non-interest bearing and repayable on demand or within one year.

25. LOANS RECEIVABLES

	2024 HK$'000	2023 HK$'000
Revolving loans receivable denominated in:		
Hong Kong dollars	**12,139**	6,251
United States dollars	**54**	367
	12,193	6,618
Less: allowance for impairment	**(1,307)**	(1,430)
	10,886	5,188

The Group has policy for assessing the impairment of loans receivable on an individual basis. The assessment is based on a close monitoring and evaluation of collectability and on management's judgment, including the current creditworthiness, collateral value (if any), the past collection history of each client and supportive forward-looking information.

At the end of the reporting period, the Group's loans receivable were individually assessed for impairment. In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date of the credit was initially granted up to the reporting date.

As at 31 December 2024, loans receivable are unsecured and have contractual interest rates ranging from 2% to 10% (2023: 2% to 10.5%) per annum. The Group has concentration of credit risk from six (2023: two) senior management and three (2023: One) staff, of the Group, in which the loans receivable included a total carrying amount of HK$7,686,000 (2023: HK$4,288,000) and HK$3,200,000 (2023: HK$900,000) respectively.

Details of impairment assessment at 31 December 2024 and 2023 are set out in note 40.

25. LOANS RECEIVABLES (continued)

The carrying amount of the loans receivable has remaining contractual maturity dates as follows:

	2024 **HK$'000**	2023 HK$'000
On demand or within one year	**10,886**	5,188

26. FINANCIAL ASSETS AT FVTOCI

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

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

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

27. FINANCIAL ASSETS AT FVTPL

	2024 **HK$'000**	2023 HK$'000
Financial assets mandatorily measured at FVTPL:		
Listed securities held for trading:		
– Equity securities listed in Hong Kong (note (a))	**23,362**	20,342
Other investment:		
– Unlisted fund investment (note (b))	**4,592**	4,691
– Unlisted fund investments (note (c))	**18,128**	17,007
	46,082	42,040

Notes:

(a) The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant exchanges.

(b) The fair value of the unlisted fund investment is determined with reference to the net asset value of the fund whose quoted market price is not available.

(c) The fair value of the unlisted fund investment is determined with reference to the dealing price of the investment funds derived from the net assets values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets and fair value of the remaining assets, as provided by a broker.

	2024 **HK$'000**	2023 HK$'000
Analysed for reporting purposes as:		
Current assets	**41,490**	37,349
Non-current assets	**4,592**	4,691
	46,082	42,040

28. FIXED DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS AND PLEDGED BANK DEPOSITS/BANK BALANCES (TRUST AND SEGREGATED ACCOUNTS)/BANK BALANCES (GENERAL ACCOUNTS) AND CASH

Fixed deposits with original maturity over three months

The balances carry fixed interest rate at 0.8% per annum.

Pledged bank deposits

The pledged bank deposits carried fixed rate in a range of 0.01% to 3% (2023: 0.01% to 3%) per annum, which was the effective interest rate on the Group's bank deposits. Pledged bank deposits of HK$30,000,000 (2023: HK$50,000,000) and HK$2,818,000 (2023: HK$4,061,000) are pledged to secure short-term loan and short-term undrawn facilities, respectively, and are therefore classified as current assets.

The pledged bank deposits will be released upon the repayment of relevant bank borrowings or expiration of the facilities.

Bank balances – trust and segregated accounts

The Group receives and holds monies deposited by clients and other institutions in the course of the conduct of the regulated activities of its ordinary business. Such monies are maintained in one or more segregated bank accounts and bear interest at commercial rate. The Group has recognised the corresponding liabilities to respective external clients and other institutions as accounts payable (note 29). However, the Group does not have a currently enforceable right to offset those payables with the deposits placed.

Bank balances (general accounts) and cash

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates in a range of 0.01% to 3% (2023: 0.01% to 3%) per annum with an original maturity of three months or less.

29. ACCOUNTS PAYABLE

	Notes	**2024 HK$'000**	2023 HK$'000
Accounts payable arising from retailing business	(a)	**102,775**	123,271
Accounts payable arising from the business of dealing in securities	(b)	**323,499**	343,832
Accounts payable arising from the business of dealing in futures and options	(b)	**28,083**	31,815
Accounts payable arising from the business of wealth management	(b)	**–**	519
		454,357	499,437

Notes:

(a) Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing cost. The credit period taken for trade purchases ranges from 15 to 90 days (2023: 15 to 90 days).

The following is an ageing analysis (from invoice date) of trade creditors arising from retailing business at the end of the reporting period:

	2024 HK$'000	2023 HK$'000
0 – 30 days	**50,670**	30,167
31 – 60 days	**37,270**	52,813
61 – 90 days	**11,071**	32,978
Over 90 days	**3,764**	7,313
	102,775	123,271

29. ACCOUNTS PAYABLE (continued)

Notes: (continued)

(b) The settlement terms of accounts payable from the business of dealing in securities are two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Accounts payable to independent financial advisors arising from business of wealth management services are generally settled within 30 days upon receipt of payments from product issuers/clients.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK$308,246,000 (2023: HK$346,215,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

30. FINANCIAL LIABILITIES ARISING FROM CONSOLIDATED INVESTMENT FUNDS

The Group had consolidated three (2023: three) structured entities including investment funds. For the investment funds where the Group involves as general partner and also as investors holding substantial shares which makes the Group has control over these structured entities.

31. ACCRUED LIABILITIES AND OTHER PAYABLES

	2024 **HK$'000**	2023 HK$'000
Accrued liabilities		
– Salaries and commission payables	**17,621**	17,623
– Other accrued liabilities	**20,400**	27,664
Other payables	**40,967**	58,433
	78,988	103,720

32. CONTRACT LIABILITIES

	2024 **HK$'000**	2023 HK$'000
Advances received in relation to tailor-made furniture	**8,185**	9,041
Advances received in relation to other furniture	**39,652**	52,051
Reward points under customer loyalty programme	**3,455**	1,412
	51,292	62,504

As at 1 January 2023, the contract liabilities were amounted to HK$48,728,000.

32. CONTRACT LIABILITIES (continued)

Tailor-made furniture and other furniture

Contract liabilities in relation to tailor-made and other furniture represent the advance payments received from the customers upon ordering of tailor-made furniture commences, or before delivery of other furniture, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

Customer loyalty programme

The Group offers customer loyalty programme in the Group's retailing operation. Basically, the customers can earn one point for each dollar spent in the shops of the Group. The customers can enjoy discount by utilising the award points earned under the customer loyalty programme. All award points can be accumulated up to 31 December each year and will be expired in January of the following year.

Contract liabilities in relation to award points under customer loyalty programme represent the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the award points are redeemed.

For the contract liabilities as at 1 January 2024 and 2023, the entire balances were recognised as revenue in profit or loss during the year ended 31 December 2024 and 2023, respectively.

33. LEASE LIABILITIES

	2024	2023
	HK$'000	HK$'000
Lease liabilities payable:		
Within one year	**45,855**	64,786
More than one year but not more than two years	**15,465**	34,269
More than two years but not more than five years	**11,082**	25,488
	72,402	124,543
Less: Amount due for settlement with 12 months shown under current liabilities	**(45,855)**	(64,786)
Amount due for settlement after 12 months shown under non-current liabilities	**26,547**	59,757

The weighted average incremental borrowing rates applied to lease liabilities range from 4% to 4.875% (2023: 4% to 4.875%) per annum.

34. BORROWINGS

	2024	2023
	HK$'000	HK$'000
Secured bank borrowings	**67,472**	109,192
Unsecured bank borrowing	**5,000**	5,000
Secured trust receipt loans	**21,721**	24,394
Unsecured trust receipt loans	**80,934**	104,966
Unsecured other borrowings	**84,103**	96,060
	259,230	339,612

34. BORROWINGS (continued)

Bank borrowings and trust receipt loans

	2024 **HK$'000**	2023 HK$'000
Carrying amount repayable based on scheduled repayment terms:		
Within one year	**129,102**	163,441
Carrying amount of bank borrowings and trust receipt loans containing a repayment on demand clause:		
Within one year	**46,025**	80,111
Total	**175,127**	243,552
Less: Amount under current liabilities	**(175,127)**	(243,552)
Amount shown under non-current liabilities	**–**	–

Other borrowings

	2024 **HK$'000**	2023 HK$'000
Carrying amount repayable based on scheduled repayment terms:		
Within one year	**–**	96,060
In the second year	**84,103**	–
	84,103	96,060

As at 31 December 2024, the Group's secured bank borrowings and trust receipts of HK$89,193,000 (2023: HK$133,586,000) were secured and/or guaranteed by:

(a) corporate guarantees from the Company;

(b) corporate guarantees from certain subsidiaries of the Company;

(c) marketable securities of the Group's clients with fair value of HK$156,893,000 (2023: HK$141,030,000) at 31 December 2024 (with clients' consent); and

(d) pledged bank deposits of HK$30,000,000 (2023: HK$50,000,000) for short-term bank borrowings as disclosed in note 28.

As at 31 December 2024, bank borrowings amounting to HK$72,472,000 (2023: HK$114,192,000) are variable-rate borrowings which carry interest at either Hong Kong Interbank Offered Rate ("HIBOR") or Hong Kong Prime Rate plus a spread. Trust receipts loans amounting to HK$102,655,000 (2023: HK$129,360,000) carry interest at either HIBOR or Hong Kong Prime Rate plus a spread.

The unsecured bank borrowing amounting to HK$5,000,000 (2023: HK$5,000,000) as at 31 December 2024 and unsecured trust receipt loans amounting to HK$80,934,000 (2023: HK$104,966,000) are guaranteed by the Company. The Group has unused short-term banking facilities of approximately HK$73.9 million (2023: HK$100.6 million) as at 31 December 2024.

34. BORROWINGS (continued)

Other borrowings (continued)

The other borrowings amounting to HK$84,103,000 (2023: HK$96,060,000) were drawn from a related company controlled by a substantial shareholder with significant influence to the Group. It was unsecured, carried interest rate at Hong Kong Prime Rate plus a spread and repayable within two years (2023: within one year).

The effective interest rates on the Group's borrowings ranged from 4.63% to 6.79% (2023: 4.25% to 7.47%) per annum.

35. SHARE CAPITAL

	Par value of each ordinary share	**Number of shares**	**Amount**
	HK$	'000	HK$'000
Ordinary shares			
Authorised:			
At 1 January 2023, 31 December 2023 and 31 December 2024	0.2	150,000	30,000
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 31 December 2024	0.2	80,720	16,144

All the shares in issued rank pari passu in all respects.

36. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries
	HK$'000
At 1 January 2023	95,180
Share of total comprehensive expense for the year	(34,916)
Acquisition of additional interests from non-controlling shareholders of a subsidiary (Note 37)	(40,258)
Deemed disposal of partial interests in a subsidiary without loss of control (Note 38)	33,009
At 31 December 2023	53,015
Share of total comprehensive expense for the year	(5,516)
Share held for share award scheme	(4,405)
At 31 December 2024	43,094

37. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

Name of subsidiary	Place of incorporation/ operation	Equity interest held by the Group before acquisition	Equity interest held by the Group after acquisition	Total Consideration
CFSG	Hong Kong	60.49%	72.93%	HK$61,000,000

On 24 May 2023, CFSG acquired 51% of the issued shares of Cash Algo Finance Group International Limited ("CAFG") from Confident Profit Limited, an indirectly wholly-owned subsidiary of the Company, at the consideration of HK$61,000,000 by satisfied as to HK$10,000,000 in cash and HK$51,000,000 by issuing of 120,000,000 new CFSG shares.

This acquisition has been accounted for as equity transaction and the total difference between the consideration paid and the carrying amount of the attributable non-controlling interests acquired of HK$40,258,000 had been recognised directly in other reserve.

38. DEEMED DISPOSAL OF PARTIAL INTEREST IN A SUBSIDIARY WITHOUT LOSS OF CONTROL

On 4 August 2023, CFSG has made placement of 50,000,000 shares to independent third parties at the placing price of HK$0.42 per share. Following the completion of the placement, the Group's shareholding in CFSG decreased from 72.93% to 64.47%. The Group continuously control over CFSG after the partial disposal. The difference between consideration received by placement and the attributable equity interest in CFSG disposed of HK$12,114,000 had been recognised directly in other reserve.

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debts, which include the lease liabilities and borrowings disclosed in notes 33 and 34, respectively, and equity attributable to owners of the Company, comprising share capital disclosed in note 35, reserves and accumulated losses as disclosed in consolidated statement of changes in equity. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the year.

Following the acquisition of CFSG, certain subsidiaries of the Group are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management of the Group closely monitors, on a daily basis, the liquid capital level of these entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout the year.

40. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024	2023
	HK$'000	HK$'000
Financial assets		
At FVTPL	**46,082**	42,040
At FVTOCI	**4,806**	25,821
At amortised cost	**763,362**	956,925
Financial liabilities		
At amortised cost	**754,554**	897,482
At FVTPL	**1,515**	122

Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable and payable, deposits and other receivables, financial assets at FVTOCI, financial assets at FVTPL, loans receivable, pledged bank deposits, bank balances and cash, fixed deposits, financial liabilities arising from consolidated investment funds, other payables, lease liabilities and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Price risk

The Group is exposed to price risk arising from equity investments, unlisted fund investment, Unconsolidated Investment Funds and financial liabilities arising from consolidated investment fund classified as at FVTPL. The Group's equity investments are listed on the Stock Exchange, while the unlisted investment funds are traded in the over-the-counter markets. In both years, the directors of the Company manage the exposure by closely monitoring the portfolio of investments and imposing trading limits on individual trades.

In addition, the Group also invested in unlisted equity investments for long-term strategic purposes which had been designated at FVTOCI.

The exposure to equity price risk for the Group's investments held for trading are insignificant to the Group. Accordingly, no sensitivity analysis is presented.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to accounts payable to clients arising from business of dealing in securities, a loan receivable carrying fixed interest rate and lease liabilities. The Group does not have fair value hedging policy. The Group is also exposed to cash flow interest rate risk in relation to balances with banks, accounts receivables arising from the business of margin financing, bank borrowings and certain loans receivable carrying interest at prevailing market rates. The Group currently does not have a cash flow interest rate hedging policy. However, management of the Group closely monitors its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate and HIBOR arising from the Group's variable interest rate instruments.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. Details of the impacts on the Group's risk management strategy arising from the interest rate benchmark reform and the progress towards implementation of alternative benchmark interest rates are set out under "interest rate benchmark reform" in this note.

A 50 basis points (2023: 200 basis points) change is used and represents management's assessment of the reasonably possible change in interest rates. The sensitivity analysis is prepared assuming the variable-rate financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Bank balances are excluded from sensitivity analysis as these are subject to minimal interest rate fluctuation for both years. As at 31 December 2024, if the interest rate had been 50 basis points (2023: 200 basis points) higher/lower and all other variables were held constant, the Group's loss before tax would increase/decrease by HK$960,000 (2023: HK$5,298,000). This is mainly attributable to the Group exposure to the interest rates on variable-rate borrowings, loans receivable and variable-rate account receivable arising from business of margin financing.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the cash flow interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

The group entities have financial assets denominated in currencies other than their respective functional currencies. Consequently, the Group is exposed to risks that the exchange rate of functional currencies relative to other currencies may change in a manner that has an adverse effect on the value of the position of the Group's assets and liabilities denominated in foreign currencies.

The exposure primarily arises from the receivables from foreign brokers, foreign currency deposits with banks, equity securities listed outside Hong Kong denominated in United States dollars ("USD") and Renminbi ("RMB") and accounts payable to clients denominated in USD and RMB. The management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exposure should the need arises. The directors of the Company do not expect significant foreign exchange risk arising from USD denominated monetary items in view of the Hong Kong dollar pegged system to the USD.

The carrying amounts of the major foreign currency denominated monetary assets and monetary liabilities of the Group at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
USD	**28,770**	40,174	**16,812**	15,699
RMB	**8,853**	13,765	**1,510**	1,820

As at 31 December 2024, if RMB had strengthened/weakened by 5% (2023: 5%) against HK$ and all other variables were held constant, the Group's loss after tax would decrease/increase by HK$307,000 (2023: HK$499,000). Under the pegged exchange rate system, the financial impact in exchange fluctuation between HK$ and USD is considered to be immaterial and therefore no sensitivity analysis has been prepared.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to accounts receivable arising from retailing business and financial services business, loans receivable, receivables from securities brokers, deposits and other receivables, pledged bank deposits and bank balances. Except for accounts receivable arising from the business of margin financing, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with these financial assets.

The Group performed impairment assessment for financial assets and other items under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

Accounts receivables arising from retailing business

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group uses an internal credit rating system to assess the potential customer's credit quality and defines credit limits by customer. In addition, the Group performs impairment assessment under ECL model on balances individually. Based on assessment by the directors of the Company, the directors of the Company considers the ECL for these balances is insignificant.

Account receivables arising from financial services business

In order to minimise the credit risk on brokerage and financing services, the Credit and Risk Management Committee is set up to compile the credit and risk management policies, to approve credit limits and to determine any debt recovery action on delinquent receivables. In addition, the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Loans receivable

In order to minimise the credit risk, the Group has delegated teams at respective subsidiaries responsible for determination of credit limits and interest rate offered to customers. Monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on balances individually based on historical observed default rates over the expected life of the debtors, and forward-looking information that is available undue cost or effort. Based on assessment by the directors of the Company, the directors of the Company considers the ECL is insignificant.

Deposits and other receivables

For deposits and other receivables, the directors of the Company make periodic individual assessment on the recoverability of significant balances based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables and deposits. Based on assessment by the management of the Group, the ECL for these balances is insignificant.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Receivables from securities brokers, pledged bank deposits and bank balances

The management of the Group considers that the credit risks on receivables from securities brokers, pledged bank deposits and bank balances are limited because the banks and securities brokers are financial institutions with high credit ratings assigned by international credit-rating agencies. The Group assessed 12-month ECL by reference to probability of default, loss given default by the relevant credit rating grades published by international credit rating agencies. Based on assessment by the management of the Group, the ECL for these balances is insignificant.

Except for CFSG's financial assets, the Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Descriptions	Accounts receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Receivables from securities brokers, pledged bank deposits and bank balances (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

Financial assets	Notes	External credit rating	Internal credit management and assessment	12-month or lifetime ECL	2024 Gross carrying amounts		2023 Gross carrying amounts	
					HK$'000	HK$'000	HK$'000	HK$'000
Amortised cost								
Accounts receivable arising from retailing business	23	N/A	Low risk	Lifetime ECL (not credit-impaired)	1,013	1,013	2,039	2,039
Accounts receivable arising from the business of dealing in securities, futures and options	23	N/A	Note (f)	12-month ECL	57,903	57,903	56,229	56,229
Accounts receivable arising from the business of margin financing	23	N/A	Note (d)	12-month ECL	34,134		43,621	
				Lifetime ECL (not credit-impaired)	36		803	
				Credit-impaired	80,336	114,506	82,852	127,276
Loans receivable	25	N/A	Notes (a), (e)	12-month ECL	10,735		5,553	
				Credit-impaired	1,458	12,193	1,065	6,618
Deposits and other receivables	24	N/A	Note (e)	12-month ECL	24,692		24,040	
		N/A		Lifetime ECL (not credit-impaired)	40,392	65,084	56,970	81,010
Receivables from securities brokers	24	N/A	Note (c)	12-month ECL	91,688	91,688	106,284	106,284
Pledged bank deposits	28	Aa3 – Aa1	N/A	12-month ECL	25,000		25,000	
		A3 – A1	N/A	12-month ECL	7,818	32,818	29,061	54,061
Bank balances and fixed deposits	28	Aa3 – Aa1	N/A	12-month ECL	10,166		13,262	
		A3 – A1	N/A	12-month ECL	348,539		454,233	
		B1 – Baa1	N/A	12-month ECL	86,002	444,707	112,082	579,577

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Receivables from securities brokers, pledged bank deposits and bank balances (continued)

Notes:

(a) In order to minimise the credit risk, the management of the Group closely evaluates the borrower's financial background and repayment abilities. The assessment is based on a close monitoring and evaluation of the collectability of each individual account and the past collection history. As at 31 December 2024, the Group had concentration of credit risk on loans receivable as 70% (2023: 89%) of the outstanding balance is from the top five (2023: five) borrowers. As at 31 December 2024, the management considered an unsecured loan overdue more than 90 days of HK$1,458,000 (2023: HK$1,065,000) to be uncollectable and credit impaired. The loans receivable of HK$10,735,000 (2023: HK$5,553,000) are not overdue and are considered to have no significant increase in credit risk since initial recognition. Accordingly, these are subject to 12-month ECL.

(b) The Group has concentration of credit risk arising from bank balances which are mainly deposited with three banks. The credit risk on bank balances and bank deposits is limited because the counterparties are major institutional banks with credit ratings of Baa3 or higher assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL.

(c) The Group has no significant concentration of credit risk as the exposure is spread over a number of counterparties and customers, except for the liquid funds which are deposited with several banks with high credit ratings and receivables from three securities brokers in a total amount of HK$91,688,000 (2023: HK$106,284,000). Concentration of credit risk for loans receivable and account receivable from margin clients are disclosed below.

(d) As at 31 December 2024, the Group had concentration of credit risk on the accounts receivable from margin clients as the aggregate balances with the five largest clients represent approximately 61% (2023: 65%) of total accounts receivable from margin clients. The Group considers that there is significant increase in credit risk since initial recognition and default indicator when the LTV ratio of a particular client has increased up to certain level for a certain period of time.

For non-credit impaired margin accounts receivable arising from margin financing, the management performed a collective assessment that considers the past due status and LTV ratio. The ECL are assessed based on the Group's EAD, PD and LGD over the expected life of the accounts receivable. These are estimated on a portfolio basis using the Group's historical default and loss data and adjusted for forward-looking factors that are available without undue cost or effort.

For credit-impaired margin accounts receivable from margin clients, the management performs an individual assessment for each client by considering various factors, including the realisable value of securities or collateral from clients which are held by the Group, any subsequent settlements, and adjusting for forward-looking factors that are available without undue cost or effort.

(e) The ECL is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. For exposure from non-rated counterparties, the Group has assessed the ECL by reference to the PD and LGD of speculative grade ratings.

(f) The credit risk for receivables from brokers and accounts receivable from clearing houses, brokers and dealers is limited as the counterparties are major financial institutions, brokers, dealers or clearing houses, all of which are governed by regulators including the Hong Kong Monetary Authority, the SFC and various overseas regulatory bodies. Given this regulatory oversight, the directors considered the risk of default on repayments to be insignificant. Accordingly, they are subject to 12-month ECL.

Except for accounts receivable arising from margin financing and loans receivable, the ECL impairment allowance determined for other financial assets carried at amortised cost and contract assets is insignificant and accordingly no provision has been made.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Receivables from securities brokers, pledged bank deposits and bank balances (continued)

(a) The following table shows the reconciliation of loss allowance that has been recognised for accounts receivable arising from margin financing.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 January 2023	40	47	11,369	11,456
– Transfer to lifetime ECL (credit-impaired)	(24)	3	21	–
– Transfer to lifetime ECL (not credit-impaired)	(7)	10	(3)	–
– Transfer to 12m ECL	8	(2)	(6)	–
– Impairment losses recognised	127	374	43,913	44,414
– Impairment losses reversed	(116)	(404)	(611)	(1,131)
As at 31 December 2023 and 1 January 2024	28	28	54,683	54,739
– Transfer to lifetime ECL (not credit-impaired)	(4)	4	–	–
– Transfer to 12m ECL	3	(3)	–	–
– Impairment losses recognised	164	225	12,139	12,528
– Impairment losses reversed	(142)	(252)	(11,630)	(12,024)
As at 31 December 2024	49	2	55,192	55,243

Note:

In determining the allowances for credit impaired accounts receivable arising from margin financing, the management of the Group also takes into account shortfall by comparing the fair value of collateral and the outstanding balance of accounts receivable arising from margin financing. The directors of the Company consider that the recoverability of the credit-impaired accounts receivable arising from margin financing is highly reliant on the realisation of the collaterals held.

Accounts receivable arising from margin financing with a gross carrying amount of HK$36,000 (2023: HK$803,000) and HK$803,336,000 (2023: HK$82,852,000) were assessed as becoming lifetime ECL (not credit-impaired) due to significant increase in credit risk and lifetime ECL (credit-impaired) respectively due to the significant financial difficulty of the borrower and a breach of contract, such as a default. Accordingly, 12m ECL of HK$4,000 (2023: HK$7,000) and nil (2023: HK$24,000) were transferred to lifetime ECL (not credit-impaired) and lifetime ECL (credit-impaired) during the current year.

An additional impairment loss of HK$12,139,000 (2023: HK$43,913,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK$80,336,000 (2023: HK$70,817,000) has been recognised during the year due to the decrease in fair value of collateral. Also, an impairment loss of HK$11,630,000 (2023: HK$611,000) on credit-impaired accounts receivable arising from margin financing with gross carrying amount of HK$23,750,000 (2023: HK$11,668,000) has been reversed during the year due to repayment in margin financing.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Receivables from securities brokers, pledged bank deposits and bank balances (continued)

(b) The following table shows the reconciliation of loss allowance that has been recognised for loans receivable.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 January 2023	149	–	1,658	1,807
– Impairment losses reversed	(80)	–	(297)	(377)
As at 31 December 2023 and 1 January 2024	69	–	1,361	1,430
– Impairment losses reversed	(3)	–	(120)	(123)
As at 31 December 2024	66	–	1,241	1,307

For non-credit impaired accounts receivable arising from margin financing, the management performed collective assessment and ECL are estimated on a portfolio basis based on the Group's historical default and loss data and adjusted for forward-looking factors that are available without undue cost or effort.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with all the loan covenants.

Liquidity tables

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and customers. To address the risk, the treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

The following tables detail the Group's remaining contractual maturity for its financial liabilities and lease liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other financial liabilities are based on the agreed settlement dates.

40. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables (continued)

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from prevailing market rate at the end of the reporting period.

	Weighted average effective interest rate	Within 1 year or repayable on demand	Between 1 to 2 years	Between 2 to 5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2024						
Accounts payable	**N/A**	**454,357**	**–**	**–**	**454,357**	**454,357**
Other payables	**N/A**	**40,967**	**–**	**–**	**40,967**	**40,967**
Financial liabilities arising from consolidated investment funds	**N/A**	**1,515**	**–**	**–**	**1,515**	**1,515**
Borrowings	**Note (1)**	**185,772**	**87,958**	**–**	**273,730**	**259,230**
Leases liabilities	**Note (2)**	**47,895**	**15,658**	**11,130**	**74,683**	**72,402**
		730,506	**103,616**	**11,130**	**845,252**	**828,471**
At 31 December 2023						
Accounts payable	N/A	499,437	–	–	499,437	499,437
Other payables	N/A	58,433	–	–	58,433	58,433
Financial liabilities arising from consolidated investment funds	N/A	122	–	–	122	122
Borrowings	Note (1)	360,120	–	–	360,120	339,612
Leases liabilities	Note (2)	67,143	35,959	25,994	129,096	124,543
		985,255	35,959	25,994	1,047,208	1,022,147

Notes:

(1) Variable-rate borrowings carry interest at either HIBOR or Hong Kong Prime Rate plus a spread. The prevailing market rate at the end of the reporting period is used in the maturity analysis.

(2) Lease liabilities carry weighted-average interest rate at 4.09% (2023: 4.44%).

Borrowings with a repayment on demand clause are included in the "within 1 year or repayment on demand" time band in the above maturity analysis. As at 31 December 2024, the aggregate carrying amounts of these bank loans amounted to HK$46,025,000 (2023: HK$80,111,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate payment. The directors of the Company believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. As at 31 December 2024, assuming the banks will not exercise their discretionary rights to demand immediate repayment, the aggregate principal and interest cash outflows within one year for such bank loans amount to HK$48,796,000 (2023: HK$85,301,000).

The amounts included above for variable interest rate instruments are subject to change if changes in variable interest rates differ from the estimated interest rates determined at the end of the reporting period.

Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

40. FINANCIAL INSTRUMENTS (continued)

Fair value measurement of financial instruments (continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and input(s) used).

	Fair value as at							
	31 December 2024 HK$'000	31 December 2023 HK$'000	**Fair value hierarchy**	**Valuation technique(s)**	**Significant unobservable inputs**	**Relationship of unobservable inputs to fair value**	**Reasonable significant change in unobservable inputs**	**Increase(+)/decrease(-) in fair value of financial instruments by reasonable change in unobservable inputs** HK$'000
Financial assets								
Financial assets at FVTPL								
Investments held for trading								
– Equity securities listed in Hong Kong/the PRC	**23,362**	20,342	Level 1	Quoted prices in an active market	N/A	N/A	N/A	N/A
Other investments								
– Unlisted fund investment	**18,128**	17,007	Level 2	Dealing price of the investment funds derived from the net asset values of the investment funds with reference to observable quoted prices of underlying investment portfolio in active markets and fair value of the remaining assets, as provided by a broker	N/A	N/A	N/A	N/A
Investment held for long-term strategic purpose								
– Unlisted fund investment	**4,592**	4,691	Level 3	Net asset value of the fund calculated based on the discounted cash flows of underlying investments.	Net assets value	The higher the net assets value, the higher the fair value.	10%	2024: +459/-459 (2023: +470/-470)
Financial assets at FVTOCI								
– Unlisted equity investment	**–**	21,761	Level 3	Discounted cash flow method	Discount rate: 2023: 10.03%	The higher the discount rate, the lower the fair value.	10%	2024: N/A (2023: –203/+195)
– Unlisted equity investment	**4,806**	4,060	Level 3	Market approach	Discount factor for lack of marketability: 2024: 24% (2023: 15%)	The higher the discount factor for lack of marketability, the lower the fair value.	10%	2024: -152/+152 (2023: -71/+72)
					Price-to-Book (PB) Ratio*: 2024: 0.64 (2023: 0.52)	The higher the PB ratio, the higher the fair value	10%	2024: -481/+480 (2023: -406/+406)

* No sensitivity analysis in performed as the directors of the Company consider that the impact from PB ratio is not material.

40. FINANCIAL INSTRUMENTS (continued)

Fair value measurement of financial instruments (continued)

Reconciliation of Level 3 fair value measurements

	Financial assets at FVTPL HK$'000
As at 1 January 2023	4,812
Total losses in profit or loss	(121)
As at 31 December 2023 and 1 January 2024	4,691
Total losses in profit or loss	(99)
As at 31 December 2024	4,592

	Financial assets at FVTOCI HK$'000
As at 1 January 2023	24,328
Total gains in other comprehensive income	1,493
As at 31 December 2023 and 1 January 2024	25,821
Total losses in other comprehensive income	(4,072)
Disposal during the year	(16,943)
As at 31 December 2024	4,806

Included in other comprehensive income is an amount of unrealised losses of HK$4,072,000 (2023: gain of HK$1,493,000) related to unlisted equity investments at FVTOCI held as at 31 December 2024.

There were no transfers between Levels 1 and 2 during both years.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Financial assets and financial liabilities offsetting

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that are either:

- offset in the Group's consolidated statement of financial position; or
- not offset in the consolidated statement of financial position as the offsetting criteria are not met.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("HKSCC") and brokers, the Group has a legally enforceable right to set off the money obligations receivable and payable with HKSCC and brokers on the same settlement date and the Group intends to settle on a net basis.

40. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities offsetting (continued)

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with cash clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis. The Group has a legally enforceable right to set off the accounts receivable and payable with margin clients and the Group intends to settle the balances on a net basis. Cash and margin clients collectively referred to as the brokerage clients.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group and deposits placed with HKSCC and brokers do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

	Gross amounts of recognised financial assets after impairment	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Collateral received*	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 December 2024						
Financial asset						
Accounts receivable arising from the business of dealing in securities and margin financing	**196,816**	**(95,119)**	**101,697**	**(7,541)**	**(51,215)**	**42,941**
As at 31 December 2023						
Financial asset						
Accounts receivable arising from the business of dealing in securities and margin financing	152,914	(43,199)	109,715	(840)	(74,275)	34,600

40. FINANCIAL INSTRUMENTS (continued)

Financial assets and financial liabilities offsetting (continued)

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Collateral paid	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 31 December 2024						
Financial liability						
Accounts payable arising from the business of dealing in securities	**418,618**	**(95,119)**	**323,499**	**(7,541)**	**–**	**315,958**
As at 31 December 2023						
Financial liability						
Accounts payable arising from the business of dealing in securities	387,032	(43,199)	343,833	–	–	343,833

* These represent market value of shares pledged by customers, which are capped at the outstanding balances of respective customers.

41. SHARE OPTION SCHEME

(A) Share option scheme of the Company

The Company's share option scheme ("Share Option Scheme") was adopted pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 21 May 2012 and took effect on the same date. The Share Option Scheme adopted by the Company on 21 May 2012 was terminated pursuant to a resolution passed at the special general meeting held on 30 September 2021. The new share option scheme ("New Share Option Scheme") was adopted pursuant to a resolution passed at the special general meeting held on 30 September 2021 in replacement of the Share Option Scheme. The options granted under the Share Option Scheme before termination shall continue to be valid and exercisable in accordance with the terms of the options.

The major terms of the Share Option Scheme and the New Share Option Scheme are summarised as follows:

(i) The purpose is to provide incentives to:

- award and retain the participants who have made contributions to the Company, its subsidiaries and associates, including CFSG and its subsidiaries; or

- attract potential candidates to serve the Group for the benefit of the development of the Group.

41. SHARE OPTION SCHEME (continued)

(A) Share option scheme of the Company (continued)

(ii) The participants include any employee, director, consultant, adviser or agent of any members of the Group.

(iii) The maximum number of shares in respect of which options might be granted under the Share Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme and such limit might be refreshed by shareholders in general meeting. The Share Option Scheme was terminated on 30 September 2021 and therefore no options were available for grant as at 31 December 2024.

Upon the adoption of the New Share Option Scheme, the 10% scheme mandate limit imposed under the New Share Option Scheme was refreshed. The maximum number of shares in respect of which options might be granted under the New Share Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of adoption of the New Share Option Scheme and such limit might be refreshed by shareholders in general meeting. The maximum number of shares in respect of which options might be granted was 8,072,018 shares, representing a maximum of 10% of the Company's issued share capital as at 31 December 2024.

However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme, the New Share Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.

(iv) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the Share Option Scheme or any other share option scheme within any 12-months period, must not exceed 1% of the shares in issue from time to time.

(v) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of the Company and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the board of directors of the Company upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to the Company.

(viii) The exercise price of an option must be the highest of:

- the closing price of the shares on the date of grant which day must be a trading day;
- the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and
- the nominal value of the share.

(ix) Pursuant to the approval of the special general meeting of the Company on 30 September 2021, the Share Option Scheme was terminated on 30 September 2021. The life of the New Share Option Scheme is effective for 10 years from the date of adoption until 29 September 2031.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares.

41. SHARE OPTION SCHEME (continued)

(A) Share option scheme of the Company (continued)

The following table discloses details of the Company's share options held by the directors, employees and consultants of the Group and movements in such holdings:

Name of scheme	Date of grant	Exercise price per share	Exercise period	Number of share options			
				Outstanding as at 1.1.2024	Granted in 2024	Lapsed in 2024	Outstanding as at 31.12.2024
		HK$					
Directors							
Share Option Scheme	16.7.2021	1.450	(Note)	–	–	–	–
Consultants							
Share Option Scheme	16.7.2021	1.450	(Note)	–	–	–	–
				–	–	–	–
Exercisable at 31 December 2024							–

Name of scheme	Date of grant	Exercise price per share	Exercise period	Number of share options			
				Outstanding as at 1.1.2023	Granted in 2023	Lapsed in 2023	Outstanding as at 31.12.2023
		HK$					
Directors							
Share Option Scheme	16.7.2021	1.450	(Note)	3,200,000	–	(3,200,000)	–
Consultants							
Share Option Scheme	16.7.2021	1.450	(Note)	550,000	–	(550,000)	–
				3,750,000	–	(3,750,000)	–
Exercisable at 31 December 2023							–

Note: The options were granted to the directors of the Group on 16 July 2021 for the provision of services to the Group. The options are subject to approval from the board of directors of the Company and will vest upon achievement of specific performance target, service condition and at the discretion of the board of directors of the Company.

For the options granted to directors, the options must be exercised subject to 2 tranches period as to (i) 50% exercisable from the date of the board of directors of the Company approves the vesting of the options up to 31 July 2022; (ii) 50% exercisable from 1 August 2022 to up to 31 July 2023.

In addition, the Group entered into arrangement with other service providers in respect of options on 16 July 2021 for the provision of satisfactory services to the Group. The service providers will be entitled to the options upon the satisfactory delivery of services to the Group and determined at the sole discretion of the board of directors of the Company. The options must be exercised within one month from the date the board of directors of Company approves the entitlement of the options. At 31 December 2024, there were no satisfactory delivery of services to the Group and thus no share-based compensation expense.

During the year, the lapsed options were due to expiry of the options in accordance with the terms of the share options.

41. SHARE OPTION SCHEME (continued)

(A) Share option scheme of the Company (continued)

The fair values are calculated using the Black-Scholes pricing model ("B-Model"). The variables and assumptions used in computing the fair value of the share options are based on the best estimation of the directors of the Company. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

	Share options grant date 16 July 2021
Share price at grant date	HK$1.45
Exercise price	HK$1.45
Expected volatility	288%
Expected life	2 years
Risk-free rate	0.07%
Expected dividend yield	Nil

Expected volatility was determined by using the historical volatility of the Company's share price over the previous years.

The estimated fair value of share options granted on 16 July 2021 was approximately HK$5,769,000, of which HK$4,448,000, HK$556,000 and HK$765,000 represented the fair value of the share options granted to the directors, employees and consultants, respectively.

(B) Share option scheme of the CFSG

The share option scheme was adopted pursuant to an ordinary resolution passed at an annual general meeting of CFSG held on 8 June 2018 (the "CFSG Share Option Scheme").

The major terms of the CFSG Share Option Scheme are summarised as follows:

(i) The purpose is to provide incentives to:

- award and retain the participants who have made contributions to the Company and its subsidiaries and associates, including the CFSG and its subsidiaries; or

- attract potential candidates to serve the Group for the benefit of the development of the Group.

(ii) The participants include any employees (whether full time or part time), executives and officers (including executive and non-executive directors) and business consultants, agents and legal and financial advisers of the Group.

(iii) The maximum number of shares in respect of which options might be granted under the CFSG Share Option Scheme must not exceed 10% of the issued share capital of the CFSG as at the date of approval of the CFSG Share Option Scheme and such limit might be refreshed by shareholders in general meeting. The maximum number of CFSG shares was 26,117,477 (2023: 26,117,477) shares, representing around 6% (2023: 6%) of the weighted average number of issued shares of the CFSG as at 31 December 2024. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the CFSG Share Option Scheme and any other CFSG share option scheme must not exceed 30% of the CFSG shares in issue from time to time.

41. SHARE OPTION SCHEME (continued)

(B) Share option scheme of the CFSG (continued)

(iv) The maximum number of CFSG shares in respect of which options might be granted to a participant, when aggregated with CFSG shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the CFSG Share Option Scheme or any other CFSG share option scheme within any 12-months period, must not exceed 1% of the CFSG shares in issue from time to time.

(v) There is no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of CFSG ("CFSG Board") and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the CFSG Board upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to the CFSG.

(viii) The exercise price of an option must be the highest of:

- the closing price of the CFSG shares on the date of grant which day must be a trading day;

- the average closing price of the CFSG shares for the 5 trading days immediately preceding the date of grant; and

- the nominal value of the CFSG share.

(ix) The life of the CFSG Share Option Scheme is effective for 10 years from the date of adoption until 7 June 2028.

All share-based compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing CFSG's ordinary shares.

41. SHARE OPTION SCHEME (continued)

(B) Share option scheme of the CFSG (continued)

The following table discloses movements in CFSG's share option scheme from acquisition date till 31 December 2024:

Names	Date of grant	Exercise period	Adjusted exercise price HK$	Note	Number of options ('000) As at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Reallocated upon change of directorate	As at 31 December 2024
Directors	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	–	–	–	–	–	–
Other Employee Participants	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	1,500	–	–	(975)	–	525
Service Providers (including Consultants)	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	–	–	–	–	–	–
					1,500	–	–	(975)	–	525
Exercisable as at 31 December 2024										–

Names	Date of grant	Exercise period	Adjusted exercise price HK$	Note	Number of options ('000) As at 1 January 2023	Granted during the year	Exercised during the year	Lapsed during the year	Reallocated upon change of directorate	As at 31 December 2023
Directors	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	7,200	–	–	(7,200)	–	–
Other Employee Participants	29/07/2021	01/08/2021 – 31/07/2025	0.572	(a)	4,500	–	–	(3,000)	–	1,500
Service Providers (including Consultants)	29/07/2021	01/08/2021 – 31/07/2023	0.572	(a)	3,810	–	–	(3,810)	–	–
					15,510	–	–	(14,010)	–	1,500
Exercisable as at 31 December 2023										–

Note:

(a) During the year ended 31 December 2021, a total of 24,750,000 options were granted to directors, employees and individuals providing services similar to employees of CFSG and the granting of the options are subject to the achievement of certain targets during the financial years ended 31 December 2021 to 2023 and 2025. During the year ended 31 December 2024, 975,000 options (2023: 14,010,000 options) lapsed before vesting as the relevant employees resigned from CFSG or lapsed upon expiry. At 31 December 2024 and 31 December 2023, there was no satisfactory delivery of services to CFSG and thus no share-based compensation expense was recognised in the consolidated financial statements.

42. SHARE AWARD SCHEME

CFSG has adopted a share award scheme on 1 December 2022 (the "Share Award Scheme"). The Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of CFSG.

The major terms of the Share Award Scheme are summarised as follows:

(i) The purpose and objectives of the Share Award Scheme are:

- to recognise and motivate the contributions by certain eligible participants and to give incentives thereto in order to retain them for the continual operation and development of any member of the Group;
- to attract suitable professional personnel beneficial for further growth of any member of the Group; and
- to provide certain eligible participants with a direct economic interest in attaining a long-term relationship between any member of the Group and such eligible participants.

(ii) The Share Award Scheme shall be subject to the administration of the CFSG Board. The CFSG Board may appoint any one or more senior management of CFSG as authorised representative(s) to give instructions or notices to the trustee on all matters in connection with the Share Award Scheme and other matters in the routine administration of the trust. The trustee will hold the CFSG shares and the income derived therefrom in accordance with the rules of the Share Award Scheme and subject to the terms of the trust deed.

(iii) The eligible participants include any employees (whether full time or part time) of any member of the Group; any non-executive director of any member of the Group; any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the Group; any agent, contractor, client or supplier of any member of the Group; and any other group or classes of participants who, in the sole opinion of the CFSG Board, will contribute or have contributed to any member of the Group.

(iv) The CFSG Board shall not make any further grant of award of CFSG shares under the Share Award Scheme such that the total number of CFSG shares granted under the Share Award Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Share Award Scheme) will exceed 10% of the total number of issued CFSG shares as of the Adoption Date, i.e. 26,117,477 CFSG shares.

There is no maximum entitlement of each participant.

If the relevant purchase would result in the trustee holding in aggregate more than 10% of the total number of issued CFSG shares as of the Adoption Date, the trustee shall not purchase any further CFSG shares.

(v) A selected participant shall be entitled to receive the awarded CFSG shares held by the trustee in accordance with the vesting schedule when the selected participant has satisfied all vesting conditions specified by the CFSG Board at the time of making the award. Vesting of the CFSG shares will be conditional on the selected participant remaining an eligible participant until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the trustee.

(vi) The CFSG Board or the authorised representative(s) shall notify the selected participant in writing within 10 business days (or such other day as the CFSG Board may otherwise determine) after an award has been provisionally made to such selected participant and the notice shall contain substantially the same information as that set out in the award notice. An award shall be deemed to be irrevocably accepted by a selected participant unless the selected participant shall within 5 business days after receipt of such notice from the CFSG Board or the authorised representative(s) notify CFSG in writing that he would decline to accept such award.

42. SHARE AWARD SCHEME (continued)

(vii) Subject to any early termination as may be determined by the CFSG Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date and shall expire on 30 November 2032.

(viii) The trustee shall not exercise the voting rights in respect of any CFSG shares held under the trust (including but not limited to the awarded shares, further CFSG Shares acquired out of the income derived therefrom, the returned shares, any bonus Shares and scrip shares).

During the year ended 31 December 2024, 11,286,000 shares were purchased in May 2024 at a price of HK$0.2394 and 6,996,000 shares were purchased at a price of HK$0.2435 in June 2024 by the trustee. As at 31 December 2024, 18,282,000 shares were held by the trustee.

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

43. RETIREMENT BENEFITS SCHEMES

Defined contribution plan

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. The cap of the mandatory contribution amount was HK$1,500 per employee per month. Where there are employees who leave the Group prior to vesting fully in the voluntary contributions, the contributions payable by the Group are reduced by the amount of forfeited voluntary contributions. None of the forfeited contributions was utilised in this manner for the year ended 31 December 2024 and 2023.

Defined benefit plan

The Group operates various benefits schemes for its full-time employees in the PRC in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Group contributes 7%, 12%, 22%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively.

The employer's contributions to the MPF Scheme and various benefits schemes in the PRC are disclosed separately in notes 8.

Pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) × 2/3 × Years of service

Last monthly wages are capped at HK$22,500 while the amount of long service payment shall not exceed HK$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof (collectively, the "Eligible Offset Amount"), for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

43. RETIREMENT BENEFITS SCHEMES (continued)

Defined benefit plan (continued)

The Employment & Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 was gazetted on 17 June 2022, which will eventually abolish the Offsetting Arrangement. The Amendment will come into effect prospectively from a date to be determined by the Hong Kong SAR Government, which is expected to be in 2025 (the "Transition Date"). Under the amended Ordinance, the Eligible Offset Amount after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligations before the Transition Date will be grandfathered and calculated based on the Last monthly wages immediately preceding the Transition Date.

The Group's LSP obligation, taking into consideration of the abolition of MPF-LSP Offsetting Arrangement, is considered to be insignificant and provision has been recognised as at 31 December 2024 and 2023.

44. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group entered into the following transactions with related parties:

	2024 **HK$'000**	2023 HK$'000
Interest expense to a related party	**7,796**	8,585

Compensation of key management personnel

The remuneration of directors of the Company and chief executive which is disclosed in note 12 is determined by the remuneration committee having regard to the performance of individuals and market trends.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings HK$'000 (note 34)	**Lease liabilities** HK$'000 (note 33)	**Total** HK$'000
At 1 January 2023	375,245	210,092	585,337
Financing cash flows (Note)	(54,129)	(134,340)	(188,469)
New lease entered	–	42,236	42,236
Interest expense	18,496	6,574	25,070
Exchange adjustments	–	(19)	(19)
At 31 December 2023	339,612	124,543	464,155
Financing cash flows (Note)	(97,295)	(99,232)	(196,527)
New lease entered	–	42,744	42,744
Interest expense	16,913	4,347	21,260
At 31 December 2024	259,230	72,402	331,632

Note: The financing cash flows include the drawdown of borrowings, repayments of borrowings, repayment of lease liabilities and related interest paid.

46. MAJOR NON-CASH TRANSACTIONS

In addition, the Group entered into new lease contracts and modified certain lease contracts for the use of retail stores for 1 to 3 years (2023: 1 to 4 years). On the lease commencement/modification date, the Group recognised in aggregate of HK$44,783,000 (2023: HK$44,306,000) of right-of-use assets and HK$42,744,000 (2023: HK$42,236,000) of lease liabilities during the year ended 31 December 2024.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name	Place of incorporation/ operation	Issued ordinary share capital/ registered capital	Proportion of equity attributable to the Company 2024 %	2023 %	Principal activities
CASH					
Pricerite Home Limited	Hong Kong	Ordinary HK$201,170,000	**99.01**	99.01	Retailing of furniture and household goods
Pricerite Electrical Appliances Limited	Hong Kong	Ordinary HK$1	**99.01**	99.01	Retailing of electrical appliances
Pricerite Marketing Limited	Hong Kong	Ordinary HK$2	**99.01**	99.01	Provision of management services to a fellow subsidiary
Pricerite Pet Necessities Limited	Hong Kong	Ordinary HK$10,000	**80.2**	80.2	Online retailing of pet supplies
Cashflow Credit Limited	Hong Kong	Ordinary HK$27,242,299	**100.00**	100.00	Investment holding
Pricerite.com.hk Limited	Hong Kong	Ordinary HK$2	**99.01**	99.01	Online retail of furniture houselive and foods
Pricerite Food Limited	Hong Kong	Ordinary HK$1	**99.01**	99.01	Retail of food & beverage
TMF Company Limited	Hong Kong	Ordinary HK$1	**99.01**	99.01	Retailing of tailor-made furniture
Celestial Investments (HK) Limited	Hong Kong	Ordinary HK$10,000,000	**100**	100	Money lending
CASH Algo Finance Group Limited	Hong Kong	Ordinary HK$2,000,000	**100**	100	Investment trading
CASH Talent Investment Limited	Hong Kong	Ordinary HK$1	**100**	100	Investment trading
CASH Frontier Investment Limited	Hong Kong	Ordinary HK$1	**100**	100	Investment trading

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name	Place of incorporation/ operation	Issued ordinary share capital/ registered capital	Proportion of equity attributable to the Company 2024 %	2023 %	Principal activities
CASH (continued)					
CASH Retail Management (HK) Limited	British Virgin Islands	Ordinary HK$35,000,000	**99.01**	99.01	Investment holding
Celestial Investment Group Limited	British Virgin Islands	Ordinary US$10,000	**100**	100	Investment holding
Moli Mobile Digital Entertainment Holdings Limited ("MMDE")	British Virgin Islands	Ordinary US$10,000	**89.70**	89.70	Investment holding
CFSG	Bermuda/ Hong Kong	Ordinary HK$17,246,991	**64.47**	64.47	Investment holding
Subsidiaries of CFSG					
CASH Asset Management Limited	Hong Kong	Ordinary HK$10,000,000	**64.47**	64.47	Provision of asset management services
CASH Wealth Management Limited	Hong Kong	Ordinary HK$20,000,000	**64.47**	64.47	Financial advisory consultancy
CASH Payment Services Limited	Hong Kong	Ordinary HK$2	**64.47**	64.47	Provision of payment gateway services
Celestial Asset Management Limited	Hong Kong	Ordinary HK$6,781,401	**64.47**	64.47	Provision of treasury management functions and investment holding and trading
Celestial Capital Limited	Hong Kong	Ordinary HK$30,000,000	**64.47**	64.47	Inactive
Celestial Finance Limited	Hong Kong	Ordinary HK$121,000,002	**64.47**	64.47	Money lending
Celestial Commodities Limited	Hong Kong	Ordinary HK$60,000,000	**64.47**	64.47	Brokerage of futures and options
Celestial Securities Limited	Hong Kong	Ordinary HK$190,000,000	**64.47**	64.47	Brokerage of securities and equity options
CASH Trinity Buillion Limited	Hong Kong	Ordinary HK$2	**64.47**	64.47	Investment holding and trading
CASH Family Office Company Limited	Hong Kong	Ordinary HK$100	**64.47**	64.47	Investment holding and trading

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name	Place of incorporation/ operation	Issued ordinary share capital/ registered capital	Proportion of equity attributable to the Company 2024 %	2023 %	Principal activities
Subsidiaries of CFSG (continued)					
Victory Glory Investments Limited	Hong Kong	Ordinary HK$1	**64.47**	64.47	Investment trading
Think Right Investments Limited	British Virgin Islands	Ordinary US$1	**64.47**	64.47	Properties holding
Celestial Financial Services Limited	British Virgin Islands	Ordinary US$10,000	**64.47**	64.47	Investment holding
CASH Mobile Financial Services Limited	Hong Kong	Ordinary HK$10,000,000	**64.47**	64.47	Provision of management services for group companies
Celestial (China) Asset Management Limited	British Virgin Islands	Ordinary US$500,000	**64.47**	64.47	Investment holding
Weever FinTech Limited	Hong Kong	Ordinary HK$48,500,000	**67.97**	67.97	Brokerage of cryptocurrencies
CFSG China Investment Limited	British Virgin Islands	Ordinary US$1	**64.47**	64.47	Investment holding
Golden Riverside Industrial Limited	Hong Kong	Ordinary HK$102	**64.47**	64.47	Investment holding
CFSG FinTech Group Limited	British Virgin Islands	Ordinary US$1	**64.47**	64.47	Investment holding
Libra Capital Manager Limited	British Virgin Islands	Ordinary US$3	**64.47**	64.47	Investment holding
上海懿睿股權投資基金管理有限公司 (translated as Shanghai Yirui Equity Investment Fund Management Company Limited) ("Shanghai Yirui")*	PRC	Ordinary RMB10,000,000	**64.47**	64.47	Investment holding

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name	Place of incorporation/ operation	Issued ordinary share capital/ registered capital	Proportion of equity attributable to the Company 2024 %	2023 %	Principal activities
Subsidiaries of CFSG (continued)					
CASH Prime Value Equity OFC^	Hong Kong	Redeemable Participating shares 12,325.47 units (2023: 11,688.83 units)	**58.86**	64.47	Investment holding
CASH Quant-Finance Lab Limited	Hong Kong	Ordinary HK$1	**81.88**	81.88	Investment trading
上海群博資產管理有限公司*	PRC	Registered capital RMB20,000,000	**81.88**	81.88	Provision of asset management services
群博量化指數增強私募證券投資基金	PRC	Paid up capital 15,781,436 units	**N/A (Note)**	N/A (Note)	Fund investment
群博多策略對沖私募證券投資基金#	PRC	Paid up capital 13,685,961 units	**81.72 (Note)**	81.72 (Note)	Fund investment

* These subsidiaries are a limited liability companies established in the PRC. They are indirectly held by the Company through contractual arrangements by the registered owners, being Ms Wei Li (holder of 95% of the equity interests) and Ms Mao Jie (holder of 5% of the equity interests).

^ CASH Prime Value Equity OFC is a consolidated structured entity under the Group.

For this investment fund, the directors of the Company concluded that the variable returns the Group exposed to are significant, the Group is primarily acting as a principal and not subject to substantive removal rights held by other parties who may remove the Group as an investment manager. Therefore, the Group consolidated this investment fund throughout the periods.

Note: For these investment funds, the directors of the Company concluded that the variable returns the Group exposed to are significant, the Group is primarily acting as a principal and not subject to substantive removal rights held by other parties who may remove the Group as an investment manager. Therefore, the Group consolidated these investment funds throughout the reporting period.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

All the subsidiaries shown above are indirectly held by the Company. In the opinion of the directors of the Company, a complete list of the particulars of subsidiaries will be of excessive length and therefore the above list contains only the particulars of those subsidiaries which principally affect the results or net assets of the Group.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. Majority of these subsidiaries operate in Hong Kong and are investment holding or inactive companies.

The table below shows details of non-wholly-owned subsidiaries of the Group that have non-controlling interests:

Name of subsidiaries	Place of incorporation /Principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
CFSG	Bermuda/Hong Kong	**35.53%**	35.53%	**(5,112)**	(34,620)	**86,936**	92,048
MMDE	BVI/Hong Kong	**10.30%**	10.30%	**–**	–	**(40,045)**	(40,045)
Individual immaterial subsidiaries with non-controlling interests				**(404)**	(296)	**608**	1,012
				(5,516)	(34,916)	**47,499**	53,015

Summarised consolidated financial information in respect of each Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

CFSG and subsidiaries

	2024 HK$'000	2023 HK$'000
Non-current assets	**29,810**	61,872
Current assets	**684,115**	807,226
Non-current liabilities	**(34,685)**	(19,796)
Current liabilities	**(462,170)**	(593,435)
Net assets of CFSG	**217,070**	255,867
Equity attributable to owners of the Company	**208,126**	251,196
Non-controlling interests of CFSG	**8,944**	4,671
	217,070	255,867

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

CFSG and subsidiaries (continued)

	2024 **HK$'000**	2023 HK$'000
Revenue	**50,768**	58,365
Expenses	**(80,497)**	(152,996)
Loss for the year	**(29,729)**	(94,631)
Loss for the year/period attributable to		
– the owners of the Company	**(35,102)**	(95,247)
– non-controlling interests of CFSG	**5,373**	616
Loss for the year	**(29,729)**	(94,631)
Other comprehensive expense for the year/period attributable to		
– the owners of the Company	**(4,909)**	597
– non-controlling interests of CFSG	**246**	(861)
Other comprehensive expense for the year/period	**(4,663)**	(264)
Total comprehensive expense for the year/period attributable to		
– owners of the Company	**(40,011)**	(94,650)
– non-controlling interests of CFSG	**5,619**	(245)
Total comprehensive expense for the year/period	**(34,392)**	(94,895)
Net cash inflow (outflow) from operating activities	**12,394**	(2,817)
Net cash inflow (outflow) from investing activities	**16,496**	(1,724)
Net cash outflow from financing activities	**(94,111)**	(87,065)
Net cash outflow	**(65,221)**	(91,606)

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

MMDE

	2024 HK$'000	2023 HK$'000
Non-current assets	**5,859**	5,859
Current assets	**1,326**	1,326
Current liabilities	**(406,561)**	(406,503)
	(399,376)	(399,318)
Equity attributable to owners of the Company	**(359,331)**	(359,273)
Non-controlling interests of MMDE	**(40,045)**	(40,045)
	(399,376)	(399,318)
Expenses	**(58)**	(162)
Loss for the year	**(58)**	(162)
Loss for the year attributable to		
– the owners of the Company	**(58)**	(162)
– non-controlling interests of MMDE	**–**	–
Loss for the year	**(58)**	(162)
Other comprehensive income for the year attributable to		
– the owners of the Company	**–**	–
– non-controlling interests of MMDE	**–**	–
Other comprehensive income for the year	**–**	–
Total comprehensive expense for the year attributable to		
– the owners of the Company	**(58)**	(162)
– non-controlling interests of MMDE	**–**	–
Total comprehensive expense for the year	**(58)**	(162)
Net cash outflow from operating activities	**(58)**	(162)
Net cash inflow from financing activities	**–**	–
Net cash outflow	**(58)**	(162)

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2024 **HK$'000**	2023 HK$'000
Non-current asset		
Amounts due from subsidiaries	**210,174**	297,853
Current assets		
Other receivables	**207**	207
Bank balance and cash	**240**	295
	447	502
Current liabilities		
Other payables and accruals	**607**	530
Borrowings	**–**	60,000
Amounts due to subsidiaries	**88,746**	87,746
	89,353	148,276
Net current liabilities	**(88,906)**	(147,774)
Non-current liability		
Borrowings	**59,000**	–
Net assets	**62,268**	150,079
Capital and reserves		
Share capital	**16,144**	16,144
Reserves	**46,124**	133,935
Total equity	**62,268**	150,079

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Reserves of the Company:

	Share premium HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Retained profits (accumulated loss) HK$'000	Total HK$'000
At 1 January 2023	4,127	149,719	4,448	112,693	270,987
Loss and total comprehensive expense for the year	–	–	–	(137,052)	(137,052)
Lapse of share options	–	–	(4,448)	4,448	–
At 31 December 2023	4,127	149,719	–	(19,911)	133,935
Loss and total comprehensive expense for the year	–	–	–	(87,811)	(87,811)
At 31 December 2024	4,127	149,719	–	(107,722)	46,124

FIVE YEAR FINANCIAL SUMMARY

The summary of the consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements as appropriate, is set out below:

	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Revenue	**883,657**	1,016,423	1,210,887	1,368,066	1,379,513
(Loss) profit before taxation	**(65,596)**	(138,669)	(44,735)	(39,841)	46,284
Income tax credit (expense)	**1,814**	(4,256)	9,486	(3,426)	(5,310)
(Loss) profit for the year	**(63,782)**	(142,925)	(35,249)	(43,267)	40,974
Attributable to:					
Owners of the Company	**(58,266)**	(108,009)	(33,641)	(43,050)	39,985
Non-controlling interests	**(5,516)**	(34,916)	(1,608)	(217)	989
	(63,782)	(142,925)	(35,249)	(43,267)	40,974

FIVE YEAR FINANCIAL SUMMARY (CONTINUED)

	As at 31 December				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Property and equipment	**18,772**	29,083	40,495	27,364	40,090
Right-of-use assets	**68,494**	113,384	193,590	187,060	261,604
Goodwill	**39,443**	39,443	39,443	39,443	39,443
Interests in associates	**–**	–	–	183,535	196,055
Intangible assets	**47,501**	47,501	52,552	43,460	43,460
Other non-current assets	**29,928**	56,928	65,823	28,571	40,303
Current assets	**827,539**	1,031,318	1,394,639	502,530	482,208
Total assets	**1,031,677**	1,317,657	1,786,542	1,011,963	1,103,163
Current liabilities	**813,786**	1,077,809	1,420,382	681,157	687,265
Long term borrowings	**84,103**	–	–	40,175	–
Long term lease liabilities	**26,547**	59,757	68,061	81,112	149,938
Other non-current liabilities	**11,111**	11,111	6,825	6,825	6,825
Total liabilities	**935,547**	1,148,677	1,495,268	809,269	844,028
Net assets	**96,130**	168,980	291,274	202,694	259,135
Equity attributable to the owners of the Company	**53,036**	115,965	196,094	240,640	296,864
Non-controlling interests	**43,094**	53,015	95,180	(37,946)	(37,729)
	96,130	168,980	291,274	202,694	259,135

DEFINITIONS

In this annual report, the following expressions have the following meanings unless the context requires otherwise:

"AGM(s)"	the annual general meeting(s) of the Company
"Audit Committee"	the audit committee of the Company established pursuant to the CG Code of the Listing Rules
"Board"	the board of Directors
"CAFG" or "CAFG Group"	CASH Algo Finance Group International Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries, which are principally engaged in algorithmic trading business
"Cash Guardian"	Cash Guardian Limited, a company incorporated in the British Virgin Islands with limited liability, is the substantial Shareholder of the Company and an associate of Dr Kwan Pak Hoo Bankee
"Celestial Securities"	Celestial Securities Limited, a company incorporated in Hong Kong with limited liability, is a subsidiary of the Company via CFSG. It is a licensed corporation under the SFO which is engaged in type 1 (dealing in securities) regulated activity
"CEO"	the chief executive officer of the Company
"CFO"	the chief financial officer of the Company
"CFSG"	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board. CFSG is a 64.47%-owned listed subsidiary of the Company
"CFSG Board"	the board of directors of CFSG
"CFSG Group"	CFSG and its subsidiaries
"CFSG Share Option Scheme"	the existing share option scheme of CFSG adopted by CFSG pursuant to an ordinary resolution passed at an annual general meeting of CFSG held on 8 June 2018
"CFSG Share(s)"	ordinary share(s) of HK$0.04 each in the share capital of CFSG
"CG Code"	the Corporate Governance Code as contained in the Listing Rules
"CIGL"	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of the Company
"Company" or "CASH"	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board
"Company Secretary"	the company secretary of the Company
"Directors"	the directors of the Company
"ED(s)"	the executive Director(s) of the Company
"Group"	the Company and its subsidiaries
"INED(s)"	the independent non-executive Director(s) of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

"Main Board"	the main board of the Stock Exchange
"Management"	the management team of the Company
"Model Code"	the required standards of dealings regarding securities transactions by Directors or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
"New Share Option Scheme"	the existing share option scheme of the Company adopted by the Company pursuant to an ordinary resolution passed at the SGM held on 30 September 2021. The New Share Option Scheme, which was in place of the Old Share Option Scheme, took effect on 30 September 2021
"Nomination Committee"	the nomination committee of the Company established pursuant to the CG Code of the Listing Rules
"Old Share Option Scheme"	the share option scheme adopted by the Company pursuant to an ordinary resolution passed at the AGM held on 21 May 2012. The Old Share Option Scheme was terminated pursuant to an ordinary resolution passed at the SGM held on 30 September 2021
"Pricerite" or "Pricerite Group"	Pricerite Group Limited, a company incorporated in the British Virgin Islands with limited liability, and its subsidiaries (including Pricerite Home Limited, TMF Company Limited, Pricerite Food Limited and Pricerite Pet Caring Limited), which mainly conduct the retail management business in Hong Kong under multi-brand names including "Pricerite Home", "TMF", "SECO", "Pricerite Food" and "Pricerite Pet"
"Remuneration Committee"	the remuneration committee of the Company established pursuant to the CG Code of the Listing Rules
"SFC"	the Hong Kong Securities and Futures Commission
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM(s)"	the special general meeting(s) of the Company
"Share(s)"	ordinary shares of HK$0.20 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$" or "USD"	United States dollar(s), the lawful currency of the United States
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"PRC"	the People's Republic of China
"UK"	United Kingdom
"US"	United States

If there is any inconsistency in this report between the Chinese and English versions, the English version shall prevail.

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