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中達集團控股有限公司

CENTRAL WEALTH GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 139)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the “**Board**”) of Central Wealth Group Holdings Limited (the “**Company**”) announces the annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with comparative figures for the previous period as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
|------------------------------------|-------|------------------|------------------|
| Revenue | | | |
| Financial investments and services | | 30,106 | 9,967 |
| Brokerage and commission income | | 36,107 | 54,037 |
| Advisory fee income | | 8,736 | 14,119 |
| Consultancy fee income | | – | 11,460 |
| Sales of goods | | 759 | 577 |
| | | <u>75,708</u> | <u>90,160</u> |
| | 4 | <u>75,708</u> | <u>90,160</u> |
| Cost of sales and services | | | |
| Brokerage and commission expenses | | (8,635) | (16,650) |
| Cost of sales | | (922) | (630) |
| | | <u>(9,557)</u> | <u>(17,280)</u> |
| Gross profit | | 66,151 | 72,880 |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)*For the year ended 31 December 2024*

| | | 2024 | 2023 |
|---|--------------|------------------------|-----------------|
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Other income and gains, net | 4 | 4,265 | 11,084 |
| Administrative expenses | | (59,296) | (165,781) |
| Equity-settled share option arrangements | | (25,565) | (21,600) |
| Other operating expenses | | (569) | (5,712) |
| Finance costs | 5 | (8,355) | (13,495) |
| Unrealised fair value gains/(losses) on equity and fund investments at fair value through profit or loss, net | | 3,726 | (5,035) |
| Unrealised fair value gains/(losses) on debt investments at fair value through profit or loss, net | | 168 | (409) |
| (Provision for)/reversal of credit loss allowances on financial assets | | (32,669) | 7,533 |
| Change in fair value of investment properties | | – | 703 |
| Loss on disposal of investment properties | | (6,191) | – |
| Loss on disposal of subsidiaries | | – | (474) |
| Provision for impairment loss on goodwill | | – | (636) |
| Provision for impairment loss on inventories | | (283) | (2,962) |
| Share of losses of an associate | | (24,545) | (8,962) |
| Share of losses of a joint venture | | – | (890) |
| | | <hr/> | <hr/> |
| Loss before income tax | 6 | (83,163) | (133,756) |
| Income tax expense | 7 | – | (95) |
| | | <hr/> | <hr/> |
| Loss for the year | | (83,163) | (133,851) |
| | | <hr/> | <hr/> |
| Loss for the year attributable to | | | |
| Owners of the Company | | (83,135) | (132,864) |
| Non-controlling interests | | (28) | (987) |
| | | <hr/> | <hr/> |
| | | (83,163) | (133,851) |
| | | <hr/> | <hr/> |
| DIVIDENDS | 8 | – | – |
| | | <hr/> | <hr/> |
| Loss per share attributable to owners of the Company | | | |
| Basic and Diluted | 9 | HK(0.49) cent | HK(0.80) cent |
| | | <hr/> | <hr/> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss for the year | <u>(83,163)</u> | <u>(133,851)</u> |
| Other comprehensive income/(loss) | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | <u>51</u> | <u>(1,526)</u> |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | | |
| Equity investments at fair value through other comprehensive income: | | |
| Changes in fair value, net of tax | <u>1,547</u> | <u>(220,162)</u> |
| Other comprehensive income/(loss) for the year | <u>1,598</u> | <u>(221,688)</u> |
| Total comprehensive loss for the year | <u>(81,565)</u> | <u>(355,539)</u> |
| Total comprehensive loss for the year attributable to | | |
| Owners of the Company | (81,537) | (354,552) |
| Non-controlling interests | <u>(28)</u> | <u>(987)</u> |
| | <u>(81,565)</u> | <u>(355,539)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| | <i>Notes</i> | 2024 HK\$'000 | 2023 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 1,595 | 1,563 |
| Investment properties | <i>10</i> | – | 17,737 |
| Right-of-use assets | | 3,657 | 2,494 |
| Intangible assets | | – | – |
| Goodwill | | – | – |
| Investment in an associate | <i>11</i> | 132,635 | 157,180 |
| Equity investments at fair value through other comprehensive income | <i>12</i> | 4,185 | 2,638 |
| Deferred tax assets | | 34 | 34 |
| Loan receivables from money lending business | <i>13</i> | 434,482 | 30,608 |
| Prepayments, deposits and other receivables | | 1,404 | 17,323 |
| | | <hr/> | <hr/> |
| Total non-current assets | | 577,992 | 229,577 |
| Current assets | | | |
| Loan receivables from money lending business | <i>13</i> | 5,203 | 347,298 |
| Trade receivables from securities dealing business | <i>14</i> | 13,401 | 59,728 |
| Trade receivables from placing and asset management business | <i>15</i> | 1,883 | 4,310 |
| Finance lease receivables | | – | 1,646 |
| Inventories | | 3,250 | 4,442 |
| Prepayments, deposits and other receivables | | 271,530 | 267,656 |
| Equity investments at fair value through profit or loss | <i>16</i> | 38,844 | 25,681 |
| Debt investments at fair value through profit or loss | | 334 | 166 |
| Cash and bank balances | | 13,398 | 22,553 |
| Bank balances held on behalf of clients | | 101,862 | 76,967 |
| | | <hr/> | <hr/> |
| Total current assets | | 449,705 | 810,447 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2024*

| | <i>Notes</i> | 2024 HK\$'000 | 2023 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Current liabilities | | | |
| Trade payables | <i>17</i> | 107,329 | 77,573 |
| Lease liabilities | | 1,049 | 2,989 |
| Other payables and accruals | <i>18</i> | 15,757 | 13,195 |
| Other borrowings | <i>19</i> | 142,861 | 148,425 |
| Bank borrowings | <i>19</i> | 10,000 | – |
| Bank overdrafts | <i>19</i> | 14,800 | 20,375 |
| Tax payable | | – | 255 |
| | | <hr/> | <hr/> |
| Total current liabilities | | 291,796 | 262,812 |
| | | <hr/> | <hr/> |
| Net current assets | | 157,909 | 547,635 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 735,901 | 777,212 |
| | | <hr/> | <hr/> |
| Non-current liabilities | | | |
| Lease liabilities | | 2,246 | – |
| Defined benefit plan obligations | | 528 | 528 |
| | | <hr/> | <hr/> |
| Total non-current liabilities | | 2,774 | 528 |
| | | <hr/> | <hr/> |
| Net assets | | 733,127 | 776,684 |
| | | <hr/> | <hr/> |
| Equity | | | |
| Share capital | <i>20</i> | 172,818 | 167,573 |
| Reserves | | 560,309 | 609,083 |
| | | <hr/> | <hr/> |
| Equity attributable to equity shareholders of the Company | | 733,127 | 776,656 |
| Non-controlling interests | | – | 28 |
| | | <hr/> | <hr/> |
| Total equity | | 733,127 | 776,684 |
| | | <hr/> | <hr/> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

They have been prepared under the historical cost convention, except for the equity, fund and debt investments and investment properties which have been measured at fair values. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

(a) Adoption of new and revised HKFRSs

In the current year, the Group has applied the following revised standards issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

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

The application of the amendments to HKFRSs 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.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. OPERATING SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary of details of the operating segments of the Group are as follows:

- (a) the financial investments and services segment comprises financial investments and trading, debt and equity investments, advisory and money lending business;
- (b) the brokerage and commission segment comprises provision of trading in securities services; and
- (c) the corporate and others segment comprises consultancy, sales of goods and corporate expense items.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is measured consistently with the Group's loss before income tax except that bank interest income, share of losses of an associate, finance costs, head office expenses, loss on disposal of investment properties and corporate expenses are excluded from such measurement.

Segment assets exclude cash and bank balances, investment in an associate, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

No operating segment of the Group has been aggregated in arriving at the reportable segments of the Group.

Segment liabilities exclude bank overdrafts, bank borrowings, other borrowings, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the year ended 31 December 2024

| | Financial investments and services HK\$'000 | Brokerage and commission HK\$'000 | Corporate and others HK\$'000 | Consolidated HK\$'000 |
|--|--|--|--|----------------------------------|
| Segment revenue: | | | | |
| External | 38,842 | 36,107 | 759 | 75,708 |
| Total | <u>38,842</u> | <u>36,107</u> | <u>759</u> | <u>75,708</u> |
| Segment results | <u>5,983</u> | <u>1,131</u> | <u>(51,390)</u> | <u>(44,276)</u> |
| <i>Reconciliation:</i> | | | | |
| Bank interest income | | | | 1,650 |
| Unallocated expenses | | | | (1,163) |
| Finance costs | | | | (8,355) |
| Provision for impairment loss on inventories | | | | (283) |
| Loss on disposal of investment properties | | | | (6,191) |
| Share of losses of an associate | | | | <u>(24,545)</u> |
| Loss before income tax | | | | (83,163) |
| Income tax expense | | | | – |
| Loss for the year | | | | <u>(83,163)</u> |
| Assets and liabilities | | | | |
| Segment assets | 649,025 | 130,614 | 101,352 | 880,991 |
| <i>Reconciliation:</i> | | | | |
| Unallocated assets | | | | <u>146,706</u> |
| Total assets | | | | <u>1,027,697</u> |
| Segment liabilities | 565 | 112,172 | 11,887 | 124,624 |
| <i>Reconciliation:</i> | | | | |
| Unallocated liabilities | | | | <u>169,946</u> |
| Total liabilities | | | | <u>294,570</u> |

For the year ended 31 December 2023

| | Financial investments and services <i>HK\$'000</i> | Brokerage and commission <i>HK\$'000</i> | Corporate and others <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|------------------------------------|---|--|--|---------------------------------|
| Segment revenue: | | | | |
| External | 24,086 | 54,037 | 12,037 | 90,160 |
| Intersegment sales | – | 44 | – | 44 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 24,086 | 54,081 | 12,037 | 90,204 |
| Elimination | – | (44) | – | (44) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | <u>24,086</u> | <u>54,037</u> | <u>12,037</u> | <u>90,160</u> |
| Segment results | <u>(613)</u> | <u>(50,983)</u> | <u>(53,400)</u> | <u>(104,996)</u> |
| <i>Reconciliation:</i> | | | | |
| Bank interest income | | | | 97 |
| Unallocated expenses | | | | (5,036) |
| Finance costs | | | | (13,495) |
| Loss on disposal of subsidiaries | | | | (474) |
| Share of losses of an associate | | | | (8,962) |
| Share of losses of a joint venture | | | | (890) |
| | | | | <hr/> |
| Loss before income tax | | | | (133,756) |
| Income tax expense | | | | (95) |
| | | | | <hr/> |
| Loss for the year | | | | <u>(133,851)</u> |
| Assets and liabilities | | | | |
| Segment assets | 646,190 | 151,753 | 61,875 | 859,818 |
| <i>Reconciliation:</i> | | | | |
| Unallocated assets | | | | 180,206 |
| | | | | <hr/> |
| Total assets | | | | <u>1,040,024</u> |
| Segment liabilities | 197 | 80,596 | 12,789 | 93,582 |
| <i>Reconciliation:</i> | | | | |
| Unallocated liabilities | | | | 169,758 |
| | | | | <hr/> |
| Total liabilities | | | | <u>263,340</u> |

Other segment information

For the year ended 31 December 2024

| | Financial investments and services <i>HK\$'000</i> | Brokerage and commission <i>HK\$'000</i> | Corporate and others <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--|---|--|--|---------------------------------|
| Depreciation on property, plant and equipment | – | 49 | 1,245 | 1,294 |
| Depreciation on right-of-use assets | – | – | 2,887 | 2,887 |
| Provision for credit loss allowances on loan receivables from money lending business, net | 20,572 | – | – | 20,572 |
| Provision for credit loss allowances on trade receivables from securities and dealing business, net | – | 3,051 | – | 3,051 |
| Reversal of credit loss allowances on trade receivables from placing and asset management business, net | (116) | – | – | (116) |
| Provision for credit loss allowances on financial assets included in prepayments, deposits and other receivables, net | 9,162 | – | – | 9,162 |
| Capital expenditure* | – | 2,350 | 8 | 2,358 |

* *Capital expenditure consists of additions to property, plant and equipment.*

For the year ended 31 December 2023

| | Financial investments and services <i>HK\$'000</i> | Brokerage and commission <i>HK\$'000</i> | Corporate and others <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--|---|--|--|---------------------------------|
| Depreciation on property, plant and equipment | – | 292 | 1,311 | 1,603 |
| Depreciation on right-of-use assets | – | – | 2,993 | 2,993 |
| Provision for credit loss allowances on loan receivables from money lending business, net | 123 | – | – | 123 |
| Reversal of credit loss allowances on trade receivables from securities dealing business, net | – | (5,340) | – | (5,340) |
| Reversal of credit loss allowances on trade receivables from placing and asset management business, net | (464) | (78) | – | (542) |
| Reversal of credit loss allowances on financial assets included in prepayments, deposits and other receivables, net | (1,774) | – | – | (1,774) |
| Written off on other receivables | – | 3,244 | – | 3,244 |
| Written off on trade receivables | 117 | – | – | 117 |
| Capital expenditure* | – | – | 561 | 561 |

* *Capital expenditure consists of additions to property, plant and equipment.*

Geographical information

The following tables present derived revenue from external customers for the years ended 31 December 2024 and 2023, and certain non-current assets information as at 31 December 2024 and 2023, by geographical region.

| | Hong Kong | | The PRC | | Total | |
|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
| Revenue from external customers | <u>74,949</u> | <u>78,170</u> | <u>759</u> | <u>11,990</u> | <u>75,708</u> | <u>90,160</u> |
| Non-current assets | <u>577,796</u> | <u>211,293</u> | <u>196</u> | <u>18,284</u> | <u>577,992</u> | <u>229,577</u> |
| Non-current assets* | <u>5,056</u> | <u>3,510</u> | <u>196</u> | <u>18,284</u> | <u>5,252</u> | <u>21,794</u> |

* *Excluded investment in an associate, equity investments at fair value through other comprehensive income, deferred tax assets, loan receivables from money lending business and prepayments, deposits and other receivables.*

Information about major customers

The aggregate revenue during the year attributable to the Group's five largest customers was approximately 28.44% (2023: 23.25%) of the Group's total revenue, of which approximately 6.45% (2023: 6.26%) was made to the largest customer.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors of the Company, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's customers during the year (2023: Nil).

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue, other income and gains/(losses), net is as follows:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <u>Revenue</u> | | |
| <i>Revenue from contracts with customers within the scope of HKFRS 15 recognised on a point in time basis</i> | | |
| Commission income from securities dealing | 5,515 | 5,250 |
| Commission income from placing | 5,485 | 39,539 |
| Advisory fee income | 8,736 | 14,119 |
| Sales of goods | 759 | 577 |
| Consultancy fee income | – | 11,460 |
| <i>Revenue from other sources outside the scope of HKFRS 15</i> | | |
| (Losses)/gains on disposal of equity investments at fair value through profit or loss | (787) | 499 |
| Gains/(losses) on disposal of debt investments at fair value through profit or loss | 807 | (18,332) |
| Losses on disposal of fund investments at fair value through profit or loss | – | (433) |
| Dividend income from investment in listed equity securities | 19 | 94 |
| Interest income from money lending business | 30,060 | 27,403 |
| Interest income from securities margin financing | 25,107 | 9,248 |
| Interest income from debt investments | 7 | 736 |
| | <u>75,708</u> | <u>90,160</u> |

| | <i>Note</i> | 2024 HK\$'000 | 2023 <i>HK\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| <u>Other income and gains/(losses), net</u> | | | |
| Bank interest income | | 1,650 | 97 |
| Handling fee income | | 175 | 1,491 |
| Rental income | <i>(i)</i> | 1,058 | 2,057 |
| Interest income on finance lease receivables | | 244 | 220 |
| Interest income on other receivables | | 710 | 6,298 |
| Gain on disposal of property, plant and equipment | | 108 | – |
| Loss on early repayment of promissory note | | – | (1,474) |
| (Loss)/gain on early repayment of other receivables | | (870) | 32 |
| Gain on early repayment of note payable | | – | 987 |
| Others | | 1,190 | 1,376 |
| | | <hr/> 4,265 <hr/> | <hr/> 11,084 <hr/> |

Note:

- (i) This amount represented the rental income from leases of investment properties and sub-leases of properties under operating lease arrangements with leases negotiated for three to eight years.

The Group ceased to receive rental income since the disposal of investment properties in July 2024 and the sub-leases of properties was expired in February 2024 with no renewal of rental agreement.

5. FINANCE COSTS

An analysis of finance costs is as follows:

| | 2024 HK\$'000 | 2023 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Interest on bank borrowings | 399 | 1,727 |
| Interest on other borrowings – margin loans | – | 1,562 |
| Interest on other borrowings – secured/unsecured | 6,943 | 6,580 |
| Interest on bank overdrafts | 856 | 1,185 |
| Interest on note payable | – | 2,141 |
| Interest on lease liabilities | 93 | 261 |
| Interest on promissory note | – | 29 |
| Others | 64 | 10 |
| | <hr/> 8,355 <hr/> | <hr/> 13,495 <hr/> |

6. LOSS BEFORE INCOME TAX

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

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Depreciation on | | |
| Right-of-use assets | 2,887 | 2,993 |
| Property, plant and equipment | 1,294 | 1,603 |
| | <u>4,181</u> | <u>4,596</u> |
| Employee benefit expenses (including directors' remuneration) (<i>Note (i)</i>): | | |
| Wages and salaries | 19,338 | 67,820 |
| Equity-settled share option arrangements, net | 25,565 | 21,600 |
| Retirement benefit scheme contributions | 1,312 | 4,400 |
| | <u>46,215</u> | <u>93,820</u> |
| Minimum lease payments under operating leases (<i>Note (ii)</i>) | 1,135 | 9,129 |
| Auditor's remuneration | 1,100 | 1,680 |
| Meals and entertainment expenses | 16,256 | 28,938 |
| Legal and professional fees | 5,793 | 3,573 |
| Provision for credit loss allowances on loan receivables from money lending business, net | 20,572 | 123 |
| Provision for/(reversal of) credit loss allowances on trade receivable from securities dealing business, net | 3,051 | (5,340) |
| Reversal of credit loss allowance on trade receivable from placing and asset management business, net | (116) | (542) |
| Provision for/(reversal of) credit loss allowances on financial assets included in prepayments, deposits and other receivables, net | 9,162 | (1,774) |
| Written off on other receivables | – | 3,244 |
| Written off on trade receivables | – | 117 |
| Foreign exchange differences, net | 40 | 1,041 |

Notes:

- (i) As at 31 December 2024 and 2023, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years.
- (ii) The amount represented short-term lease payments for the years ended 31 December 2024 and 2023 under HKFRS 16.

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits arising in Hong Kong during the year ended 31 December 2024 (2023: Nil).

Taxes on profits assessable in the PRC in the current year have been calculated at the rates of tax prevailing in the PRC in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|-------------------------------|-------------------------|-------------------------|
| Current – Hong Kong | | |
| Charge for the year | – | – |
| Over-provision in prior years | – | (399) |
| | <u>–</u> | <u>(399)</u> |
| | – | (399) |
| Current – the PRC | | |
| Charge for the year | – | 418 |
| | <u>–</u> | <u>418</u> |
| | – | 418 |
| Deferred tax | – | 76 |
| | <u>–</u> | <u>76</u> |
| | – | 76 |
| Income tax expense | <u>–</u> | <u>95</u> |
| | – | 95 |

8. DIVIDENDS

The directors of the Company do not recommend the payment of any final dividend for the year (2023: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share are based on:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Loss for the year attributable to owners of the Company, used in basic and diluted loss per share calculations | <u>(83,135)</u> | <u>(132,864)</u> |

| | Number of shares | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| | '000 | '000 |
| Shares | | |
| Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculations | <u>17,074,958</u> | <u>16,604,689</u> |

For the year ended 31 December 2024, the assumed exercise of potential ordinary shares in relation to the share options has an anti-dilutive effect to the basic loss per share (2023: Same).

10. INVESTMENT PROPERTIES

| | Investment properties HK\$'000 |
|--|--------------------------------------|
| At 1 January 2023 | – |
| Additions | 17,034 |
| Net increase in fair value | <u>703</u> |
| At 31 December 2023 and 1 January 2024 | <u>17,737</u> |
| Disposals | <u>(17,737)</u> |
| At 31 December 2024 | <u>–</u> |

11. INVESTMENT IN AN ASSOCIATE

| | 2024 | 2023 |
|---------------------|----------------|----------------|
| | HK\$'000 | HK\$'000 |
| Share of net assets | <u>132,635</u> | <u>157,180</u> |

Particulars of the associate at the end of reporting period are as follows:

| Name | Particulars of issued shares held | Place of incorporation/ operation | Percentage of ownership interest | | Principal activities |
|------------------|--------------------------------------|---|-------------------------------------|------|---------------------------------|
| | | | attributable to the Group | | |
| | | | 2024 | 2023 | |
| Senworth Limited | Ordinary shares | Hong Kong | 49 | 49 | Investment holding in Hong Kong |

12. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Equity securities listed in Hong Kong, at fair value | <u>4,185</u> | <u>2,638</u> |

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The fair values of the listed equity securities investments were determined based on the quoted market closing prices on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

An analysis of investment portfolio is as below:

| Stock code | Name of securities | 2024 | | 2023 | |
|------------|--|-----------------|------|-----------------|------|
| | | <i>HK\$'000</i> | %* | <i>HK\$'000</i> | %* |
| 1141 | CMBC Capital Holdings Limited | 4,182 | 0.76 | 2,635 | 0.75 |
| 412 | Shandong Hi-Speed Holdings Group Limited | <u>3</u> | -^ | <u>3</u> | -^ |
| | | <u>4,185</u> | | <u>2,638</u> | |

* *Percentage of shareholding in the listed securities held by the Group*

^ *Percentage less than 0.01%*

During the year, the Group did not receive any dividend from these investments (2023: Nil).

During the year ended 31 December 2023, the Group sold 65,356,000 ordinary shares of Shandong Hi-Speed Holdings Group Limited to three independent third parties for a total consideration of approximately HK\$169,272,000.

As at 31 December 2024, the Group’s equity investments at fair value through other comprehensive income, with carrying amount of approximately HK\$4,182,000 (2023: HK\$2,635,000) and Charged Listed Securities (as defined in Note 19(c)) in the custody of the Group of approximately HK\$424,160,000 (2023: HK\$396,711,000), have been pledged to secure the other borrowings granted to the Group (Note 19(c)).

13. LOAN RECEIVABLES FROM MONEY LENDING BUSINESS

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|------------------------------|-------------------------|-------------------------|
| Loan receivables | 520,970 | 438,619 |
| Less: credit loss allowances | <u>(81,285)</u> | <u>(60,713)</u> |
| | 439,685 | 377,906 |
| Less: non-current portion | <u>(434,482)</u> | <u>(30,608)</u> |
| Current portion | <u><u>5,203</u></u> | <u><u>347,298</u></u> |

As at 31 December 2024, the gross amounts of loan receivables represented loans of approximately HK\$520,970,000 (2023: HK\$438,619,000) granted by the Group to a number of independent third parties. The loans bore interest rates ranging from 5% to 7% (2023: 5% to 7%) per annum and were repayable within three years (2023: three years) from the date of drawdown. The grants of these loans were approved and monitored by the Group's management. The gross loan balances of approximately HK\$45,278,000 (2023: HK\$267,485,000) were past due and approximately HK\$475,692,000 (2023: HK\$171,134,000) were not past due at the end of the reporting period.

As at 31 December 2024, the Group holds collaterals or other credit enhancements over its non-past due and credit-impaired loan receivables balance of approximately HK\$475,692,000 at fair value of approximately HK\$459,054,000, including charge of properties located in Hong Kong and the PRC, listed securities in Hong Kong and equity interest in the unlisted Hong Kong, Cayman Islands and PRC entities of the borrowers. As at 31 December 2023, the Group held collaterals or other credit enhancements over its non-past due loan receivables balance of approximately HK\$171,134,000 at fair value of approximately HK\$291,512,000, including charge of properties located in Hong Kong and the PRC, listed securities in Hong Kong and equity interest in the unlisted Hong Kong and PRC entities of the borrowers. As at 31 December 2023, collaterals with fair value of approximately HK\$143,722,000 were held for credit-impaired loan receivables.

14. TRADE RECEIVABLES FROM SECURITIES DEALING BUSINESS

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade receivables arising from the securities dealing business | | |
| – Clearing houses | 2,446 | – |
| – Cash clients | 20,482 | 15,373 |
| – Margin clients | <u>250,252</u> | <u>301,083</u> |
| | 273,180 | 316,456 |
| Less: credit loss allowances | <u>(259,779)</u> | <u>(256,728)</u> |
| | <u><u>13,401</u></u> | <u><u>59,728</u></u> |

Trade receivables from cash clients and brokers arising from the securities dealing business are repayable on demand subsequent to the settlement date. The normal settlement terms of the said trade receivables are, in general, within 2 days after the trade date. The Group allows a credit period mutually agreed with the contracting parties for receivables from margin clients.

Except for receivables from margin clients, the Group does not hold any collateral or other credit enhancements over these balances. The Group is allowed to dispose of the securities or futures deposited by the customers with the Group to settle any overdue amount.

Trade receivables are unsecured, interest free and repayable on the settlement date of the relevant trades, except for the receivables from margin clients of approximately HK\$250,252,000 (2023: HK\$301,083,000) which bears interest at a range of 6% to 15.6% (2023: 6% to 15.6%) per annum and are secured by investments held by margin clients of approximately HK\$14,802,000 as at 31 December 2024 (2023: HK\$101,180,000). The carrying amount of the trade receivables approximates their fair values.

The Group maintains accounts with the clearing houses through which it conducts securities and futures trading transactions and settlement on a net basis.

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 business nature.

15. TRADE RECEIVABLES FROM PLACING AND ASSET MANAGEMENT BUSINESS

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade receivables arising from the placing and asset management business | | |
| – Individual clients | 2 | 2 |
| – Investment funds | <u>1,970</u> | <u>4,513</u> |
| | 1,972 | 4,515 |
| Less: credit loss allowances | <u>(89)</u> | <u>(205)</u> |
| | <u><u>1,883</u></u> | <u><u>4,310</u></u> |

Trade receivables from corporate clients, individual clients and investment funds which are past due but not credit-impaired represent receivables arising from placing and asset management business which have not yet been settled by clients after the Group's normal credit period. Except for the credit loss allowances provided, the outstanding trade receivables from corporate clients, individual clients and investment funds as at 31 December 2024 and 2023 were considered not to be credit impaired as the credit rating and reputation of the trade counterparty are sound.

16. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Listed securities, mandatorily measured at fair value | | |
| – Equity securities listed in Hong Kong | 32,700 | 25,681 |
| – Equity securities listed in the United States | <u>6,144</u> | <u>–</u> |
| | <u><u>38,844</u></u> | <u><u>25,681</u></u> |

17. TRADE PAYABLES

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Trade payables arising from the securities dealing business | | |
| – Clearing houses | – | 4,982 |
| – Cash clients | 47,200 | 42,058 |
| – Margin clients | 60,129 | 29,991 |
| Trade payables arising from sales of goods | – | 542 |
| | <u>107,329</u> | <u>77,573</u> |

Trade payables arising from the securities dealing business bear interest at 0.01% (2023: 0.01%) per annum and repayable on the settlement day of the relevant trades.

Trade payables arising from the futures dealing business are non-interest bearing and repayable on the settlement day of the relevant trades.

No ageing analysis is disclosed as, in the opinion of the directors of the Company, the ageing analysis does not give additional value in the view of the business nature. The carrying amount of trade payables approximates their fair values.

18. OTHER PAYABLES AND ACCRUALS

The Group's payables and accruals are non-interest-bearing and are normally settled within three months. The carrying amount of financial liabilities included in other payables and accruals approximates to their fair values.

19. INTEREST-BEARING BANK AND OTHER BORROWINGS AND BANK OVERDRAFTS

| | 2024 | | | 2023 | | |
|------------------------------|---------------------------------------|----------------|-----------------|---------------------------------------|----------------|-----------------|
| | Effective interest rate per annum (%) | Maturity | <i>HK\$'000</i> | Effective interest rate per annum (%) | Maturity | <i>HK\$'000</i> |
| Current | | | | | | |
| Bank overdrafts – secured | 5.5 | On demand | 14,800 | 5.9 to 6.1 | On demand | 20,375 |
| Bank borrowings – secured | 5.9 | 2025 | 10,000 | N/A | N/A | – |
| Other borrowings – unsecured | 2.5 | 2025/on demand | 7,399 | 5.8 | 2024 | 5,538 |
| Other borrowings – secured | 5.5 to 12.8 | 2025/on demand | 135,462 | 2.5 to 12.8 | 2024/on demand | 142,887 |
| | | | <u>142,861</u> | | | <u>148,425</u> |
| Total | | | <u>167,661</u> | | | <u>168,800</u> |

Notes:

- (a) The Group's overdraft facilities amounting to HK\$180,000,000 (2023: HK\$180,000,000), of which approximately HK\$14,800,000 (2023: HK\$20,375,000) had been utilised as at the end of the reporting period.
- (b) Certain of the Group's other borrowings of approximately HK\$135,462,000 (2023: HK\$123,437,000) are secured by listed securities held by or in the custody of the Group with market values as below:

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Equity investments at fair value through other comprehensive income held by the Group | 4,182 | 2,635 |
| Equity investments at fair value through profit or loss held by the Group | 6,144 | – |
| Charged Listed Securities in the custody of the Group | <u>424,160</u> | <u>396,711</u> |
| | <u><u>434,486</u></u> | <u><u>399,346</u></u> |

- (c) Certain of the Group's other borrowings being secured (2023: secured) with carrying amount of approximately HK\$96,853,000 (2023: HK\$89,032,000) are repayable on demand to Globally Finance Limited, a subsidiary of Future World Holdings Limited of which, 65,356,000 shares of the Shandong Hi-Speed Holdings Group Limited (the "Charged Listed Securities") in the custody of the Group, were pledged to secure the borrowings as share charge since 24 October 2022 and as at 31 December 2023 and 2024. As at 31 December 2024, the fair value of the Charged Listed Securities is approximately HK\$424,160,000 (2023: HK\$396,711,000).
- (d) As at 31 December 2024, the Group's secured bank borrowings are secured by listed equity investments securities pledged to the Group held by certain margin clients with an aggregate amount of approximately HK\$21,747,000 (2023: Nil).
- (e) As at 31 December 2024 and 2023, bank borrowings and other borrowings are maturing within one year. The carrying amounts of these loans approximate to their fair values.
- (f) As at 31 December 2024 and 2023, secured bank borrowings bear floating rates with reference to HIBOR and Prime Rate. The carrying amounts of these loans approximate their fair values.

20. SHARE CAPITAL

Shares

| | 2024 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Authorised: | | |
| 80,000,000,000 (2023: 80,000,000,000) ordinary shares of HK\$0.01 each | <u>800,000</u> | <u>800,000</u> |
| Issued and fully paid: | | |
| 17,281,750,057 (2023: 16,757,250,461) ordinary shares of HK\$0.01 each | <u>172,818</u> | <u>167,573</u> |

A summary of movements of the Company's issued shares capital and share premium account is as follows:

| | Number of shares in issue | Issued share capital <i>HK\$'000</i> | Share premium account <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|------------------------------|--|--|--------------------------|
| At 1 January 2023 | 16,293,850,461 | 162,939 | 4,772,338 | 4,935,277 |
| Exercise of share options (<i>Note</i>) | <u>463,400,000</u> | <u>4,634</u> | <u>6,751</u> | <u>11,385</u> |
| At 31 December 2023 and 1 January 2024 | 16,757,250,461 | 167,573 | 4,779,089 | 4,946,662 |
| Exercise of share options (<i>Note</i>) | <u>524,499,596</u> | <u>5,245</u> | <u>12,905</u> | <u>18,150</u> |
| At 31 December 2024 | <u>17,281,750,057</u> | <u>172,818</u> | <u>4,791,994</u> | <u>4,964,812</u> |

Note: During the year ended 31 December 2024, 524,500,000 (2023: 463,400,000) share options were exercised which results in 524,500,000 (2023: 463,400,000) shares being issued in which 47,700,000 shares at a price of HK\$0.021 and 476,800,000 (2023: 463,400,000) shares at a price of HK\$0.024 (2023: HK\$0.024) per share.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

The Group recorded a revenue of approximately HK\$75.7 million for the year ended 31 December 2024 (the “Year”), compared to a revenue of approximately HK\$90.2 million for the year ended 31 December 2023. The decrease was mainly attributable to the significant decrease in revenue in the provision of Debt Capital Market (“DCM”) services, as well as the decrease in the scale of asset management. The revenue from the provision of DCM was approximately HK\$5.5 million, as compared to a revenue of approximately HK\$39.5 million for the year ended 31 December 2023. Due to the difficult operating environment of China’s US dollars bonds market, the provision of DCM services slowed down during the year. The loss before tax for the Year was approximately HK\$83.2 million as compared to the loss before tax of approximately HK\$133.8 million for the year ended 31 December 2023.

The net loss after income tax for the Year was approximately HK\$83.2 million as compared to the net loss after income tax of approximately HK\$133.9 million for the year ended 31 December 2023. Basic loss per share attributable to owners of the Company for the Year was approximately HK\$0.49 cent (31 December 2023: basis loss of approximately HK0.80 cent).

Economy Review

In 2024, the Hong Kong economy continued to expand, though at a moderated pace, total exports of goods saw decelerated growth, while exports of services increased further. Overall investment expenditure shows a further increase. However, private consumption expenditure continues to decline. The GDP growth for the year is 2.5%, following a contraction of 3.2% in 2023.

In Hong Kong, the external environment has turned more challenging recently, the Hong Kong economy is expected to maintain its growth momentum for the remainder of the year. Increased global economic uncertainties and escalation of trade conflicts would affect the performance of goods exports. The seasonally adjusted unemployment rate stayed at 3% in the fourth quarter 2024.

The global economic slowdown and persistent high interest rates cast doubt on Hong Kong’s economic prospects. The local stock market stays soft during the first half of the year, following the US interest rate cut in mid-September and the Mainland’s subsequent announcement of a package of support measures, the local stock market improved significant as market sentiment getting better. For the Year, the Hang Seng index opened at 16,788 points and closed at 20,060 points at the end of the Year. Although the government take the measures like abolishing stamp duties and easing mortgage restrictions, Hong Kong’s property market was remained quiet and soft due to the persistent high interest rates and weak economic performance.

Due to the high US dollar financing costs and intensified credit risks of Chinese property developer, the issuance of Chinese offshore bonds continues the downward trend and slowed down in the year.

Business Review

Brokerage & margin financing

The business is carried on through Instant Achieve Limited (“**IAL**”), a wholly owned subsidiary of the Group, which in turn owned 100% equity interest in Central Wealth Securities Investment Limited (“**CWSI**”). CWSI is incorporated in Hong Kong with limited liability and are carrying on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance.

During the Year, the commission income from securities dealing was approximately HK\$5.5 million (31 December 2023: HK\$5.3 million) and the interest income from the securities margin was approximately HK\$25.1 million (31 December 2023: HK\$9.2 million). The Group will maintain its prudent credit policy and risk management approach with a view to achieve a sustainable business environment.

Debt capital market business

The business carried on through IAL, which in turn owned 100% equity interest in CWSI. CWSI is incorporated in Hong Kong with limited liability and is carrying on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance.

During the Year, the Company has participated in 3 debt issues with roles of joint global coordinator, joint book-runner, joint lead manager or placing agent with an aggregate issue size of approximately CNY\$1,407.9 million as at 31 December 2024. The debts are issued through either private or public offerings with coupon rates ranging from 3.58% to 4.15% per annum. During the Year, the provision of DCM services has recorded a commission income of approximately HK\$5.5 million. Due to the difficult operating environment of China’s US dollars bonds market, the provision of DCM services slowed down during the year.

Asset management

The business is carried on through IAL, which in turn owned 100% equity interest in Central Wealth Asset Management Limited (“**CWAM**”). CWAM is incorporated in Hong Kong with limited liability and is carrying on business in type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

During the Year, the Group engages in the provision of investment management services on diversified and comprehensive investment products including private funds and discretionary accounts to individual, corporate and institutional clients. Currently, our investment fund, namely the Central Wealth Investment Fund SPC (“**CWIF**”), mainly focus on the China’s bond market as it is the second largest bond market in the world and offers attractive yield opportunities. It is expected that the market will continue to grow and transform with the global economy. The Group believes it will become more capital market oriented and open to foreign investors.

About Central Wealth Investment Fund SPC

CWIF is a segregated portfolio company incorporated in Cayman Islands with limited liabilities in June 2018. CWIF has 3 segregated portfolios as at 31 December 2024. The investment objectives of CWIF are to achieve a high rate of return through capital appreciation and seek fixed income returns with a high degree of security.

Investment strategies

The investment manager seeks to achieve the investment objectives by investing in fixed income financial tools, fixed income instruments traded in the bond market, bond funds, money market funds, bond initial offerings, structured products and derivatives. The portfolios now mainly invest in offshore US dollar denominated bonds issued by Chinese institutions. The investment manager will seek to diversify the investment portfolios when opportunities arise.

Fund growth

As at 31 December 2024, the assets under management have reached approximately US\$210.2 million (31 December 2023: US\$234.3 million). The management fee income is approximately HK\$5.3 million during the Year.

Financial Investments and Services

Financial investments and trading

During the Year, the Hang Seng Index starts at 16,788 points and closed at 20,060 points. The Group recorded unrealized gains on equity and debt investments at fair value through profit or loss of approximately HK\$3.9 million and the realized gains on the disposal of equity, fund and debt investments at fair value through profit or loss of approximately HK\$0.02 million.

Money lending business

The Group's Money lending business is conducted through an indirect wholly-owned subsidiary of the Company, namely Top Billion Finance Limited ("**Top Billion**"), which is a company incorporated in Hong Kong and holds a valid Money Lender License under the Money Lenders Ordinance (Cap. 163 of the law of Hong Kong).

Top Billion is principally engaged in carrying out money lending business by providing secured and unsecured loans to its customers. Through the business and social networks of the senior management of the Company, Top Billion would identify and be referred potential customers which would be corporate and individual customers with personal wealth. Top Billion would then assess the credit and risk of such potential customers based on its credit policy and procedure.

Top Billion is operated and managed by members of its senior management and under the supervision of the executive directors of the Company, who have years of experience in accounting, corporate development and/or financial management and have overseen the business operations of Top Billion.

As at 31 December 2024, the Group had 11 outstanding loans to individual customers with an aggregate principal amount of approximately HK\$406,911,400 and interest rates ranging from 5% to 7% and 6 outstanding loans to corporate customers with an aggregate principal amount of approximately HK\$144,700,000 and interest rates of 7% (collectively, the “**Outstanding Loans**”). The Company has complied with the relevant requirements set out in Chapter 14 and Chapter 14A of the Listing Rules with regard to the grant and renewal of the Outstanding Loans. The Company does not have any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person of the Company with respect to the grant of the Outstanding Loan.

Further details of the Outstanding Loans are set out below:

| Borrower <i>(Note 1)</i> | Principal amount <i>(HK\$'000)</i> | Interest rate <i>(per annum)</i> | Tenure <i>(months)</i> <i>(Note 2)</i> | Security |
|------------------------------------|--|--|---|---|
| Individual customers | | | | |
| A | 66,000 | 7% | 36 | Equity interest in unlisted Hong Kong entities |
| B | 21,000 | 7% | 24 | Residential property in Hong Kong |
| C | 15,000 | 7% | 24 | Residential property in PRC |
| D | 16,000 | 7% | 24 | Listed securities in Hong Kong |
| E | 66,000 | 7% | 36 | Commercial property in PRC |
| F | 66,000 | 7% | 36 | Residential and commercial property in PRC |
| G | 75,000 | 7% | 36 | Equity interests in unlisted PRC entities |
| H | 16,000 | 7% | 24 | Listed securities in Hong Kong |
| I | 65,000 | 7% | 36 | Residential property in PRC |
| J | 623.7 | 5% | 12 | – |
| K | 287.7 | 5% | 12 | – |
| Corporate customers | | | | |
| L | 50,000 | 7% | 24 | – |
| M | 12,500 | 7% | 24 | Listed securities in Hong Kong |
| N | 15,000 | 7% | 24 | Residential property in Hong Kong |
| | 12,000 | 7% | 24 | Equity interest in unlisted Cayman Islands entities |
| O | 5,200 | 7% | 12 | Equity interest in unlisted Hong Kong entities |
| P | 50,000 | 7% | 36 | Residential property in Hong Kong |
| Total | | | | |
| 17 | <u>551,611.4</u> | | | |

Notes:

1. The borrowers are independent of the Company and its connected persons.
2. The principal and interest of the loans are repayable upon the maturity date.

The majority of the existing customers were referred by executive Directors of the Company. The executive Directors have good business and social networks and would refer potential customers to Top Billion Finance Limited (“**Top Billion**”) from time to time. However, Top Billion does not rule out walk-in customers so long as they can fulfil the due diligence and relevant credit assessment requirements.

BENCHMARKS FOR CUSTOMERS

Top Billion has the following benchmarks for its customers:

Corporate customers

- No specific requirement that the prospective borrower should be from a particular industry.
- The prospective borrower can have its principal business operation in Hong Kong, China or overseas.
- No minimum amount of revenue/profit required to be generated by the prospective borrower in the last 12 months.
- The prospective borrower should normally have a sufficient amount of assets enough to cover the loan principal when they make the loan application. The assets can be in the form of property, securities, or equity interest in an entity.
- The prospective borrower should have a minimum operation history of three years.
- No litigation or winding up records.

Individual customers

- The prospective borrower should be over the age of 18.
- No requirement on the prospective borrower's occupation or minimum monthly income.
- The prospective borrower should normally have a sufficient amount of assets enough to cover the loan principal when they make the loan application. The assets can be in the form of property, securities, or equity interest in an entity.
- No criminal or bankruptcy records.

CREDIT POLICY AND PROCEDURES

Top Billion has set up a credit committee (the “**Credit Committee**”) which comprises two executive Directors of the Company to monitor the credit policy and procedures of the money lending business.

The executive Directors who are members of the Credit Committee are responsible for overseeing the money lending business. The financial controller of the Company is responsible for working out the preliminary terms of the proposed loan and is engaged in the post-loan monitoring.

Pre-approval due diligence

Top Billion will take reasonable steps to establish the potential customer's true and full identity, financial situation and borrowing objectives. The potential customer will be required to provide further details of its personal and/or corporate background, proof of repayment capabilities, proposed loan amount and repayment method, proof of property ownership (if applicable) and bank account and/or financial portfolio statements. Preliminary verification of background information (bankruptcy check and litigation check) of the potential customers will be performed.

Assessment and loan approval

For material lending transactions which constitute 5% or more of the total assets of the Group, credit review procedures will be conducted in accordance with the standard commercial practices for the purpose of determining the ability of applicants in meeting their financial obligations. Applications must in the first place, satisfy certain credit requirements before being further processed and reviewed by the senior management of Top Billion. Applicants will be required to submit all information necessary for conducting the reviews as requested by Top Billion, which includes but is not limited to updated financial statements, assets and investment portfolios of the customer.

The Credit Committee will review the due diligence results and the loan proposal, together with the supporting documents, and then finalise the loan amount and terms. Loan applications are assessed and approved on a case-by-case basis in accordance with: (i) the background of the applicant and whether the applicant has a satisfactory record or any litigation record; (ii) whether the applicant is a professional or has goodwill in his/her respective business or social circles; (iii) whether the applicant has a good loan repayment or credit record; and (iv) whether the applicant is a repeated customer. If the outcome of the aforesaid background and financial assessment is to the satisfaction of the Credit Committee, a meeting will be arranged between the potential customer, a member of the Credit Committee and/or the financial controller. During the meeting, the financial controller will work out the preliminary terms of the proposed loan.

Apart from the provision of collateral, various other factors such as whether the borrowers are repeated customers, their credibility, the amount of the loan, the tenure of the loan, etc. will also be taken into consideration when assessing the credit risk and determining the loan terms (including interest rates). The lending rate should commensurate with the level of credit risk. The stronger the financial position that the borrower exhibits and/or the better the market conditions, the lower the applicable lending rate. Other factors such as the cost of funds, interest rate charged by competitors, the repayment history and length of business relationship will also be considered. Interest rates are determined with reference to risk factors, tenure of loan, borrowing record and interest rates offered by competitors.

Risk control

In order to safeguard the repayment of loans and minimise default risks, all of the existing customers are either business contacts or referrals from the executive Directors which have either good standings or long-term business relationships with the Group. In this way, the Group can limit its risk exposure.

Loan documentation

If a loan application has been approved, the financial controller will then issue a standard loan agreement with the terms agreed by both parties for the applicant to sign. The applicant should provide his/her identity documentation and address proof to the financial controller for him to prepare the loan agreement.

Loan disbursement

The financial controller will not disburse any funds to the customer until Top Billion is in receipt of the drawdown notice attached to the loan agreement signed by the customer. Funds are usually disbursed by crossed or personal cheques deposited to the customers' designated bank accounts as per his/her drawdown notice. Loan disbursement in cash is not allowed, which not only minimises fraud or theft but also protects the Group from being inadvertently involved in money laundering activities.

Post-loan monitoring

Interim and annual review(s) will be performed by Top Billion. Updated background and financial information of the borrower will be obtained and assessed by the Credit Committee. This helps Top Billion to promptly discover potential problems that may be detrimental to timely repayment and allows Top Billion to adjust collection strategies.

Loan renewal

When considering whether to renew a loan, the Group will take into consideration (i) the repayment or credit record of the borrower; and (ii) the borrower's up-to-date financial strength and background. If the above factors are not satisfactory and/or the Directors are of the view that the risks and benefits are not properly balanced, such loan would not be renewed upon maturity.

Early repayment

Early repayment of the loan is possible if the customer provides not less than one business day's prior written notice. On the date upon which such early repayment is to be made, the customer shall repay the outstanding loan and all other monies outstanding (including accrued interests) thereunder.

Repayment overdue monitoring

The accounts staff will check if each loan repayment is made on schedule. If any repayment is overdue for more than two days, the accounts staff will bring the issue to the attention of the financial controller, and he will make verbal reminders to the relevant customer. In the event repayment is overdue for more than seven days after the verbal reminders, the financial controller will then issue an overdue notice to the customer on record. If repayment remains overdue for more than 14 days, the financial controller may issue further reminders to the customer and/or consider other actions.

Loan collection

The Group monitors the repayment of all loans based on each of the respective repayment dates of each of the individual loans. The Group reserves the right to require the customer to repay the loan and other monies outstanding (including accrued interests) on demand at any time during the term of the loan by giving the customer not less than one business day's prior written notice. On the date upon which such repayment is to be made, the customer shall pay to the Group the outstanding loan and all other monies outstanding (including accrued interests) thereunder.

If the loan could not be collected within a reasonable time thereafter, depending on the specific circumstances of the customer, the Credit Committee will decide on instigating legal action(s) to enforce the Group's rights under the loan. Mediation may also be considered to reach an agreement with the customer on repayment. If the customer fails to perform their obligations under the mediation agreement, the Credit Committee may decide on applying to the court for mandatory enforcement.

In case where all potential means of recovery have been exhausted, the Credit Committee will determine whether to write off the problem loan as a bad loan. All loan write-offs must be approved by the Board of the Company.

As at 31 December 2024, the annual interest rate of loan ranged from 5% to 7% (31 December 2023: 5% to 7%) and the term ranged from 1 to 3 years (31 December 2023: 1 to 3 years). The total gross loan receivable amounted to approximately HK\$521.0 million (31 December 2023: HK\$438.6 million). The Group's five largest loan receivables amounted to approximately HK\$330.9 million or 63.5% (31 December 2023: HK\$332.2 million or 75.7%) of the Group's total loan receivables. During the Year, the interest income from the money lending business was approximately HK\$30.1 million. The Group will continue to maintain its prudent credit policy and risk management approach with a view to achieve a sound financial management and sustainable business environment.

During the Year, the Group assessed and estimated credit loss allowances ("ECLs") for the loan receivables according to the requirements of Hong Kong Financial Reporting Standard ("HKFRS") 9 issued by the Hong Kong Institute of Certified Public Accountants. The Group had recognised ECLs on loan receivables from the money lending business amounting to approximately HK\$20.6 million (31 December 2023: HK\$0.1 million). The models and assumptions adopted by the management in estimating ECLs are related to the future macroeconomic conditions and borrowers' creditworthiness (e.g. the likelihood of default by customers.) Such assessment has taken regard of quantitative and qualitative historical information and also, the forward looking analysis. Related disclosures on loan from the money lending business are included in Note 13 to this announcement.

Prospects

Looking ahead, Hong Kong's economy will face slower growth as challenges from China's economic slowdown with high interest rate factor. Hong Kong inbound tourism and private consumption will remain the major drivers of economic growth for the rest of the year. The external environment remains challenging and weigh on export and consumer confidence.

Affected by high US dollar financing cost, downturn of the property market and the weakening of repayment ability, Chinese offshore bond market issuance significantly decline, especially in the stressed property sector. The provision of DCM services slowed down during the year. The Group will continue to actively seek opportunities for business expansion and focus on the future potential of artificial intelligent technology ("AI") and technology-related sectors. The Group intends to focus future investments on shares in the relevant sectors of leading global AI companies.

The complicated external environment will continue put pressure on Hong Kong's export of goods, but the situation may improve later in the year if the advanced economies continue to cut interest rate as expected. The global economy remains unclear and we shall not overlook the downside risks due to the expectation of US interest hike and the threat of geopolitical tension which continue to cloud the global economic recovery. In light of these macroeconomic challenges, the Group will continue to stay alert, but positive, to pursue its prudent investment strategy in developing its existing and identify potential investment opportunities to invest in leading companies of the AI sector.

Financial Review

The Group for the Year recorded a revenue of approximately HK\$75.7 million as compared to the revenue of approximately HK\$90.2 million last year. The Group's revenue principally comprised the interest income from money lending business of approximately HK\$30.1 million, interest income from securities margin of approximately HK\$25.1 million, commission income from provision of DCM services of approximately HK\$5.5 million, commission income from securities dealing of approximately HK\$5.5 million, advisory income from asset management business of approximately HK\$5.3 million.

The Group recorded net other comprehensive gain of approximately HK\$1.6 million for the Year (31 December 2023: other comprehensive loss of HK\$221.7 million). It was mainly attributable to an increase in fair value of approximately HK\$1.5 million on equity investments at fair value through other comprehensive income (31 December 2023: a decrease in fair value: HK\$220.2 million). As at 31 December 2024, the Group's net asset value was approximately HK\$733.1 million (31 December 2023: HK\$776.7 million).

Major Customers

During the Year, the Group's largest customer and five largest customers accounted for approximately 6.45% (2023: 6.25%) and 28.44% (2023: 23.25%) respectively of the Group's total revenue. As far as the Directors are aware, none of Directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any beneficial interest in the five largest customers of the Group.

Liquidity and Financial Resources

During the Year, the Group generally financed its operation with internally generated cash flow, bank overdrafts, bank and other borrowings and other fund-raising activities. The Group's cash and bank balances as at 31 December 2024 were approximately HK\$13.4 million (31 December 2023: HK\$22.6 million).

As at 31 December 2024, the Group had bank overdrafts of approximately HK\$14.8 million (31 December 2023: HK\$20.4 million), interest-bearing bank borrowings of approximately HK\$10 million (31 December 2023: Nil), other borrowings of approximately HK\$142.9 million (31 December 2023: HK\$148.4 million).

As at 31 December 2024, the Group's current ratio was approximately 1.54 times (31 December 2023: 3.08 times) based on current assets of approximately HK\$449.7 million (31 December 2023: HK\$810.4 million) and current liabilities of approximately HK\$291.8 million (31 December 2023: HK\$262.8 million). As at 31 December 2024, the Group has no capital commitment (31 December 2023: Nil). The Group also had no other contingent liabilities (31 December 2023: Nil).

Capital Structure

As at 31 December 2024, the Group's gearing ratio was approximately 22.9% (31 December 2023: 21.7%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period. The total borrowings of approximately HK\$167.7 million (2023: HK\$168.8 million) includes bank borrowings, other borrowings and bank overdrafts.

The Group's bank balance, borrowings and interest payment are mainly denominated in Hong Kong and US dollars. Most of the Group's revenue are made in Hong Kong dollars and US dollars. Therefore, the exchange risks that the Group is exposed to are insignificant.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments.

Material acquisitions

- (i) On 8 May 2024, the Company entered into the conditional joint venture Agreement with FMC Cayman in relation to the formation of the joint venture (“**JV**”) to develop smart and new energy vehicles market including the manufacture, design, research and development and sales of smart vehicles with relevant after-sales services. After the subscription of shares in the JV, the issued share capital of the JV shall be HK\$50 million, which shall be owned as to 90% by the Company and as to 10% by FMC Cayman. The Company shall be responsible for arranging further financing for the JV of RMB250 million for its working capital and business development. FMC shall license the BYTON trademark together with other relevant intellectual properties right to the JV company. The details of which were disclosed in the announcements of the Company dated 8 May 2024. As the condition precedents to the agreement cannot be fulfilled on or before the long stop date of the agreement, the agreement has on 24 January 2025 expired and terminated in accordance with its terms. No consideration was paid by the Group under the agreement.
- (ii) On 31 December 2024, the Central Wealth Infrastructure Investment Limited (purchaser), a wholly owned subsidiary of the Company entered into the conditional sales and purchase agreement with each of the vendors respectively, namely Chinese Top Asset Management Holdings Limited and Bright Joy Investment Limited. Pursuant to which the purchaser agreed to purchase 100% of equity interest in Chinese Top Asset Management Holdings Limited for a total consideration of HK\$60 million and 51% of equity interest in Bright Joy Investment Limited for a total consideration of HK\$60 million. The details of which were disclosed in the announcements of the Company dated 31 December 2024.

Events after the Reporting Period

- (i) On 31 December 2024, an independent vendor (“**Party A**”), a Hong Kong citizen and merchant and Central Wealth Infrastructure Investment Limited (“**CWIL**”), a wholly-owned subsidiary of the Company entered into the agreement pursuant to which the CWIL has agreed to purchase and Party A has agreed to sell the sale shares, representing 100% of the issued share capital of the target company (“**Target Company 1**”) for a total Consideration of HK\$60,000,000. Target Company 1 is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings including but not limited to investments in listed and unlisted securities. The Consideration of HK\$60,000,000 for the sale and purchase of the sale shares shall be settled by CWIL upon completion in cash or in such other manner as may be agreed by the CWIL.

The completion of Target Company 1 shall be conditional upon: (i) CWIL being satisfied with the results of the due diligence review on Target Company 1; (ii) the warranties given by Party A under the agreement remaining true, accurate and complete in all material respects; and (iii) all necessary consents and approvals required to be obtained on the part of CWIL in respect of the agreement and the transactions contemplated thereby having been obtained. If the conditions have not been fulfilled (or waived by CWIL as the case may be) on or before 31 March 2025, or such later date as Party A and CWIL may agree, the agreement shall cease and neither party to the agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

The acquisition of Target Company 1 has been completed on 25 February 2025, target Company 1 will be accounted as subsidiary of the Company and its financial results will be consolidated with the Group for the year ending 31 December 2025.

Details of the transactions were disclosure in announcement of the Company dated 31 December 2024.

- (ii) On 31 December 2024, an independent vendor (“**Party B**”), a merchant and CWIIL, a wholly-owned subsidiary of the Company entered into the agreement pursuant to which the CWIIL has agreed to purchase and Party B has agreed to sell the sale shares, representing 51% of the issued share capital of the target company (“**Target Company 2**”) for a total Consideration of HK\$60,000,000. Target Company 2 is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings including but not limited to investments in listed and unlisted securities. The Consideration of HK\$60,000,000 for the sale and purchase of the sale shares shall be settled by CWIIL upon completion in cash or in such other manner as may be agreed by the CWIIL.

The completion of Target Company 2 shall be conditional upon: (i) CWIIL being satisfied with the results of the due diligence review on Target Company 2; (ii) the warranties given by Party B under the agreement remaining true, accurate and complete in all material respects; and (iii) all necessary consents and approvals required to be obtained on the part of CWIIL in respect of the agreement and the transactions contemplated thereby having been obtained. If the conditions have not been fulfilled (or waived by CWIIL as the case may be) on or before 31 March 2025, or such later date as Party B and CWIIL may agree, the agreement shall cease and neither party to the agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

The acquisition of Target Company 2 has been completed on 26 February 2025, target Company 2 will be accounted as subsidiary of the Company and its financial results will be consolidated with the Group for the year ending 31 December 2025.

Details of the transactions were disclosure in announcement of the Company dated 31 December 2024.

Details of Charges on Assets

As at 31 December 2024, the Group had pledged certain listed equity investments of approximately HK\$456.2 million (31 December 2023: HK\$399.3 million) to secure the bank and other borrowings.

Employment, Training and Development

As at 31 December 2024, the Group had a total of 36 employees. The Group is committed to staff training and development and structured training programs for all employees. Remuneration packages are maintained at a competitive level and reviewed on a periodic basis. Bonuses and share options are awarded to certain employees according to individual performance and industry practice.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited throughout the Year. Detailed disclosure of the Company's corporate governance practices is included in the annual report of the Company for the Year.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted its code of conduct regarding directors' dealings in the securities of the Company (the "**Own Code**") on terms no exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "**Model Code**"). Having made specific enquiry of all directors of the Company, the directors have confirmed that they have complied with the requirements set out in the Model Code and the Own Code during the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Year. As at 31 December 2024, there were no treasury shares held by the Company.

AUDIT COMMITTEE

The Audit Committee of the Company meets at least twice a year to monitor and review the integrity and effectiveness of the Company's financial reporting. The Audit Committee has met with the external auditor of the Company, KTC Partners CPA Limited ("**KTC**"), to review the accounting principles and practices adopted by the Group and the annual results of the Group for the Year. The Audit Committee has also discussed auditing, financial reporting matters and risk management and internal control systems of the Company. The Audit Committee comprises the three independent non-executive directors of the Company, namely, Mr. Chan Ngai Fan (Chairman of the Audit Committee), Ms. Li Meifeng and Mr. Wu Ming.

SCOPE OF WORK OF KTC ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's independent auditor, KTC, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by KTC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by KTC on the preliminary announcement.

On behalf of the Board
Central Wealth Group Holdings Limited
Chen Xiaodong
Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises the following directors:

Executive Directors

Mr. Chen Xiaodong (*Vice Chairman and
Chief Executive Officer*)
Mr. Yu Qingrui
Mr. Wang Jinsong

Independent Non-executive Directors

Mr. Chan Ngai Fan
Mr. Wu Ming
Ms. Li Meifeng

* *For identification purpose only*