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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)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Board**”) of Central Wealth Group Holdings Limited (the “**Company**”) announces the unaudited results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 (the “**Period**”) together with comparative figures for the six months ended 30 June 2023 as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the six months ended 30 June 2024 (Unaudited) HK\$'000	For the six months ended 30 June 2023 (Unaudited) HK\$'000
<b>REVENUE</b>			
Financial investments and services		13,144	14,039
Brokerage and commission income		9,406	44,571
Advisory fee income		2,788	11,031
Sales of goods and consultancy fee income		723	11,936
	3	<b>26,061</b>	81,577
Brokerage and commission expenses		(6,939)	(15,411)
Cost of sales		(914)	(630)
		<b>(7,853)</b>	(16,041)
Gross profit		<b>18,208</b>	65,536

	<i>Notes</i>	<b>For the six months ended 30 June 2024 (Unaudited) HK\$'000</b>	<b>For the six months ended 30 June 2023 (Unaudited) HK\$'000</b>
Other income and gains, net	3	1,926	2,878
Administrative expenses		(33,523)	(90,698)
Equity-settled share option arrangements		(2,190)	–
Other operating expenses		(300)	(1,687)
Finance costs	5	(4,257)	(9,661)
Unrealised fair value (losses)/gains on equity and fund investments at fair value through profit or loss, net		(26)	295
Unrealised fair value gains/(losses) on debt investments at fair value through profit or loss, net		525	(1,676)
Reversal of credit loss allowances on other financial assets		6,201	2,022
Losses on disposal of subsidiaries		(149)	(369)
Share of (loss)/profit of an associate		(373)	2,886
Share of loss of a joint venture		–	(562)
		<hr/>	<hr/>
<b>LOSS BEFORE INCOME TAX</b>	4	<b>(13,958)</b>	<b>(31,036)</b>
Income tax credit	6	–	525
		<hr/>	<hr/>
<b>LOSS FOR THE PERIOD</b>		<b>(13,958)</b>	<b>(30,511)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO</b>			
Owners of the Company		(13,958)	(29,496)
Non-controlling interests		–	(1,015)
		<hr/>	<hr/>
		<b>(13,958)</b>	<b>(30,511)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>DIVIDENDS</b>	7	–	–
		<hr/> <hr/>	<hr/> <hr/>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	8		
Basic and diluted		<b>HK(0.08) cent</b>	HK(0.18) cent
		<hr/> <hr/>	<hr/> <hr/>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June 2024 (Unaudited) <i>HK\$'000</i>	For the six months ended 30 June 2023 (Unaudited) <i>HK\$'000</i>
<b>LOSS FOR THE PERIOD</b>	<b>(13,958)</b>	<b>(30,511)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>10</u>	<u>(2,082)</u>
Other comprehensive 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>(812)</u>	<u>(977)</u>
Other comprehensive loss for the period attributable to owners of the Company	<u>(802)</u>	<u>(3,059)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b><u>(14,760)</u></b>	<b><u>(33,570)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO</b>		
Equity shareholders of the Company	<b>(14,760)</b>	<b>(32,555)</b>
Non-controlling interests	<u>–</u>	<u>(1,015)</u>
	<b><u>(14,760)</u></b>	<b><u>(33,570)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,715	1,563
Investment properties		17,409	17,737
Right-of-use assets		1,554	2,494
Investment in an associate		156,807	157,180
Equity investments at fair value through other comprehensive income	9	1,826	2,638
Deferred tax assets		34	34
Loan receivables from money lending business	10	345,391	30,608
Prepayment, deposits and other receivables		1,544	17,323
		527,280	229,577
<b>CURRENT ASSETS</b>			
Loan receivables from money lending business	10	45,919	347,298
Trade receivables from securities and futures dealing business	11	35,956	59,728
Trade receivables from placing and asset management business	12	1,431	4,310
Finance lease receivables		1,274	1,646
Inventories		3,654	4,442
Prepayments, deposits and other receivables		298,372	267,656
Equity and fund investments at fair value through profit or loss	13	30,472	25,681
Debt investments at fair value through profit or loss		690	166
Cash and bank balances		19,355	22,553
Bank balances held on behalf of clients		132,642	76,967
		569,765	810,447
<b>CURRENT LIABILITIES</b>			
Trade payables	14	134,546	77,573
Lease liabilities		1,518	2,989
Other payables and accruals	15	13,780	13,195
Other borrowings	16	149,739	148,425
Bank borrowings	16	10,000	–
Bank overdrafts	16	11,379	20,375
Tax payable		–	255
		320,962	262,812
<b>NET CURRENT ASSETS</b>		<b>248,803</b>	<b>547,635</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>776,083</b>	<b>777,212</b>

		At 30 June 2024 (Unaudited) <i>HK\$'000</i>	At 31 December 2023 (Audited) <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Defined benefit plan obligations		<u>528</u>	<u>528</u>
Total non-current liabilities		<u>528</u>	<u>528</u>
<b>NET ASSETS</b>		<u><b>775,555</b></u>	<u>776,684</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the company</b>			
Share capital	<i>17</i>	<b>172,340</b>	167,573
Reserves		<u><b>603,187</b></u>	<u>609,083</u>
Equity attributable to equity shareholders of the Company		<b>775,527</b>	776,656
Non-controlling interests		<u><b>28</b></u>	<u>28</u>
Total equity		<u><b>775,555</b></u>	<u>776,684</u>

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These interim condensed consolidated financial statements have not been audited by the Company's auditors but have been reviewed by the Company's Audit Committee (the "Audit Committee").

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies and basis of preparation used in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended 31 December 2023 except for the adoption of the new standards and interpretations as noted below. In addition, certain comparative figures in the unaudited interim condensed consolidated financial statements have been reclassified in order to conform to the current period's presentation.

### 1.1. Principal accounting policies

The condensed consolidated financial statements 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.

Other than additional accounting policies resulting from the application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

#### *Application of amendments to HKFRSs*

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the 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 Group's condensed consolidated 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 Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 2. SEGMENT INFORMATION

For the management purpose, the Group is currently organized into three operating segments – financial investments and services, brokerage and commission and corporate and others. An analysis of the Group’s revenue and results by business segment for the Period and the six months ended 30 June 2024 are as follows:

### For the six months ended 30 June 2024

	Financial investments and services (Unaudited) <i>HK\$'000</i>	Brokerage and commission (Unaudited) <i>HK\$'000</i>	Corporate & others (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
<b>Segment revenue:</b>				
External	15,932	9,406	723	26,061
Intersegment sales	–	–	–	–
	<u>15,932</u>	<u>9,406</u>	<u>723</u>	<u>26,061</u>
Elimination	–	–	–	–
<b>Total</b>	<u>15,932</u>	<u>9,406</u>	<u>723</u>	<u>26,061</u>
<b>Segment results</b>	<u>18,514</u>	<u>(9,141)</u>	<u>(18,053)</u>	<u>(8,680)</u>
<i>Reconciliation:</i>				
Bank interest income				51
Unallocated expenses				(550)
Finance costs				(4,257)
Losses on disposal of subsidiaries				(149)
Share of loss of an associate				(373)
Loss before income tax				(13,958)
Income tax credit				–
Loss for the Period				<u>(13,958)</u>
<b>Assets and liabilities</b>				
Segment assets	635,674	180,033	104,455	920,162
<i>Reconciliation:</i>				
Unallocated assets				176,883
Total assets				<u>1,097,045</u>
Segment liabilities	70	141,551	8,718	150,339
<i>Reconciliation:</i>				
Unallocated liabilities				171,151
Total liabilities				<u>321,490</u>

For the six months ended 30 June 2023

	Financial investments and services (Unaudited) <i>HK\$'000</i>	Brokerage and commission (Unaudited) <i>HK\$'000</i>	Corporate & others (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
<b>Segment revenue:</b>				
External	14,039	44,571	22,967	81,577
Intersegment sales	–	33	93	126
	<hr/>	<hr/>	<hr/>	<hr/>
	14,039	44,604	23,060	81,703
Elimination	–	(33)	(93)	(126)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<hr/> 14,039	<hr/> 44,571	<hr/> 22,967	<hr/> 81,577
<b>Segment results</b>	<hr/> 12,528	<hr/> (10,951)	<hr/> (23,936)	<hr/> (22,359)
<i>Reconciliation:</i>				
Bank interest income				53
Unallocated expenses				(1,024)
Finance costs				(9,661)
Loss on disposal of a subsidiary				(369)
Share of profit of an associate				2,886
Share of loss of a joint venture				(562)
				<hr/>
Loss before income tax				(31,036)
Income tax credit				525
				<hr/>
Loss for the Period				<u><u>(30,511)</u></u>
<b>Assets and liabilities</b>				
Segment assets	938,111	243,107	26,207	1,207,425
<i>Reconciliation:</i>				
Unallocated assets				225,146
				<hr/>
Total assets				<hr/> 1,432,571
Segment liabilities	496	106,546	20,528	127,570
<i>Reconciliation:</i>				
Unallocated liabilities				227,282
				<hr/>
Total liabilities				<hr/> 354,852



### 3. REVENUE AND OTHER INCOME AND GAINS, NET

	For the six months ended 30 June 2024 (Unaudited) HK\$'000	For the six months ended 30 June 2023 (Unaudited) HK\$'000
<b>Revenue</b>		
<i>Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time</i>		
Commission income from securities and futures dealing	2,476	2,494
Commission income from placing	5,417	36,866
Management fee income	2,788	11,031
Sales of goods	723	570
Consultancy fee income	–	11,366
<i>Revenue from other sources outside the scope of HKFRS 15</i>		
Losses on disposal of equity investments at fair value through profit or loss	(1,106)	–
Gains on disposal of debt investments at fair value through profit or loss	197	9
Gains on disposal of fund investments at fair value through profit or loss	–	14
Dividend income from investment in equity investments	18	169
Interest income from money lending business	14,034	13,534
Interest income from securities margin	1,513	5,210
Interest income from debt investments	1	314
	<u>26,061</u>	<u>81,577</u>
<b>Other income and gains, net</b>		
Bank interest income	51	53
Handling fee income	55	139
Rental income	970	1,165
Interest income from other receivables	710	511
Gain on disposal of property, plant and equipment	109	–
Losses on early repayment of other receivables	(870)	–
Others	901	1,010
	<u>1,926</u>	<u>2,878</u>

### 4. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June 2024 (Unaudited) HK\$'000	For the six months ended 30 June 2023 (Unaudited) HK\$'000
Depreciation on property, plant and equipment	1,152	824
Depreciation on right-of-use assets	1,608	1,496
	<u>2,760</u>	<u>2,320</u>

## 5. FINANCE COSTS

	<b>For the six months ended 30 June 2024 (Unaudited) HK\$'000</b>	For the six months ended 30 June 2023 (Unaudited) HK\$'000
Interest on bank borrowings	103	1,090
Interest on other borrowings – margin loan	35	1,562
Interest on other borrowings – secured/unsecured	3,495	3,121
Interest on bank overdrafts	506	814
Interest on notes payable	–	2,914
Interest on lease liabilities	112	153
Others	6	7
	<u>4,257</u>	<u>9,661</u>

## 6. INCOME TAX EXPENSE

	<b>For the six months ended 30 June 2024 (Unaudited) HK\$'000</b>	For the six months ended 30 June 2023 (Unaudited) HK\$'000
Current – Hong Kong		
Charge for the period	–	–
Over-provision in prior years	–	525
	<u>–</u>	<u>525</u>
Income tax credit	–	525

During the Period, no provision for Hong Kong Profits Tax has been made as the Group has not generated any assessable profits arising in Hong Kong.

Hong Kong Profits Tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the six months period ended 30 June 2024.

## 7. DIVIDEND

The Board has resolved not to pay any interim dividend for the Period (2023: Nil).

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount is based on the loss attributable to owners of the Company for the Period of HK\$13,958,000 (2023: HK\$29,496,000) and the weighted average number of ordinary shares in issue of 16,903,112,755 (2023: 16,449,598,527) during the Period.

No adjustment has been made to the basic loss per share amounts presented for the Period in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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

	<b>Number of shares</b>	
	<b>For the period ended 30 June 2024 (Unaudited) '000</b>	<b>For the period ended 30 June 2023 (Unaudited) '000</b>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculations	<b>16,903,113</b>	16,449,599
Share options issued by the Company ( <i>Note</i> )	—	—
	<u>16,903,113</u>	<u>16,449,599</u>
Weighted average number of ordinary shares in issue during the period used in the diluted loss per share calculations	<b>16,903,113</b>	16,449,599

*Note:* The computation of diluted earnings per share for the period ended 30 June 2024 did not assume the exercise of the Company's outstanding share options since the exercise prices of the share options were higher than the share price of the Company.

#### 9. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>At 30 June 2024 (Unaudited) HK\$'000</b>	<b>At 31 December 2023 (Audited) HK\$'000</b>
<b>Equity investments at fair value through other comprehensive income</b>		
Listed equity investments, at fair value:	<b>1,826</b>	2,638

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.

#### 10. LOAN RECEIVABLES FROM MONEY LENDING BUSINESS

	<b>At 30 June 2024 (Unaudited) HK\$'000</b>	<b>At 31 December 2023 (Audited) HK\$'000</b>
Loan receivables	452,023	438,619
Less: credit loss allowances	(60,713)	(60,713)
	<u>391,310</u>	<u>377,906</u>
Less: non-current portion	(345,391)	(30,608)
	<u>45,919</u>	<u>347,298</u>

Loan receivables represented loans of approximately HK\$452,023,000 (31 December 2023: HK\$438,619,000) granted by the Group to a number of independent third parties. The loans bore interest at rates ranging from 5% to 7% per annum (31 December 2023: ranging from 5% to 7% per annum) and were repayable within three years. The grants of these loans were approved and monitored by the Group's management.

The Group holds collateral or other credit enhancement over its loan receivable balances of approximately HK\$433,352,000 (31 December 2023: HK\$435,234,000). The carrying amount of the loan receivables approximates their fair values.

## 11. TRADE RECEIVABLES FROM SECURITIES AND FUTURES DEALING BUSINESS

	At 30 June 2024 (Unaudited) <i>HK\$'000</i>	At 31 December 2023 (Audited) <i>HK\$'000</i>
Trade receivables arising from the securities and futures dealing business		
– Clearing houses	2,667	–
– Cash clients	19,153	15,373
– Margin clients	347,361	301,083
	<u>369,181</u>	<u>316,456</u>
Less: credit loss allowances	(333,225)	(256,728)
	<u><u>35,956</u></u>	<u><u>59,728</u></u>

Trade receivables from cash clients, clearing houses and brokers arising from the securities and futures 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\$347,361,000 (31 December 2023: HK\$301,083,000) which bears interest at a range of 6.875% to 13.125% (31 December 2023: at a range of 6.25% to 15.6%) per annum and are secured by investments held by margin clients of approximately HK\$61,587,000 (31 December 2023: HK\$101,180,000) as at 30 June 2024. 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, the ageing analysis does not give additional value in view of the business nature.

## 12. TRADE RECEIVABLES FROM PLACING AND ASSET MANAGEMENT BUSINESS

	At 30 June 2024 (Unaudited) <i>HK\$'000</i>	At 31 December 2023 (Audited) <i>HK\$'000</i>
Trade receivables arising from the placing and asset management business		
– Individual clients	2	2
– Investment funds	<u>1,518</u>	<u>4,513</u>
	1,520	4,515
Less: credit loss allowances	<u>(89)</u>	<u>(205)</u>
	<u><u>1,431</u></u>	<u><u>4,310</u></u>

Trade receivables from 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 individual clients and investment funds as at 30 June 2024 were considered not to be credit impaired as the credit rating and reputation of the trade counterparty are sound.

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

## 13. EQUITY AND FUND INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2024 (Unaudited) <i>HK\$'000</i>	At 31 December 2023 (Audited) <i>HK\$'000</i>
Listed securities, mandatorily measured at fair value		
– Equity securities listed in Hong Kong	<u>30,472</u>	<u>25,681</u>

The above equity and fund investments at 30 June 2024 and 31 December 2023 were classified as fair value through profit or loss as they were held for trading.

#### 14. TRADE PAYABLES

	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
Trade payables arising from the securities and futures dealing business		
– Clearing houses	14,813	4,982
– Cash clients	35,017	42,058
– Margin clients	84,184	29,991
Trade payable arising from sales of goods	532	542
	<u>134,546</u>	<u>77,573</u>

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

Trade payables arising from 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, the ageing analysis does not give additional value in the view of the business nature. The carrying amounts of trade payables approximate their fair value.

#### 15. 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 their fair values.

## 16. BANK AND OTHER BORROWINGS AND BANK OVERDRAFTS

	At 30 June 2024 (Unaudited)			At 31 December 2023 (Audited)		
	Effective interest rate per annum (%)	Maturity	HK\$'000	Effective interest rate per annum (%)	Maturity	HK\$'000
<b>Current</b>						
Bank overdrafts – secured	6.1	On demand	<u>11,379</u>	5.9 to 6.1	On demand	<u>20,375</u>
Bank borrowings – secured	5.9 to 6.2	2024	<u>10,000</u>	N/A	N/A	<u>–</u>
Other borrowings – secured	2.5 to 12.8	2024/ On demand	<u>149,739</u>	2.5 to 12.8	2024/ On demand	<u>142,887</u>
Other borrowings – unsecured	N/A	N/A	<u>–</u>	5.8	2024	<u>5,538</u>
			<u>149,739</u>			<u>148,425</u>
			<u>171,118</u>			<u>168,800</u>

## 17. SHARE CAPITAL

	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
<b>Authorised:</b>		
80,000,000,000 (31 December 2023: 80,000,000,000) ordinary shares of HK\$0.01 each	<u>800,000</u>	<u>800,000</u>
<b>Issued and fully paid:</b>		
17,234,045,507 (31 December 2023: 16,757,250,461) ordinary shares of HK\$0.01 each	<u>172,340</u>	<u>167,573</u>

## 18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS AND NON-FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
<b>Financial assets</b>				
Equity investments at fair value through other comprehensive income	1,826	2,638	1,826	2,638
Equity and fund investments at fair value through profit or loss	30,472	25,681	30,472	25,681
Debt investments at fair value through profit or loss	690	166	690	166
	<u>32,988</u>	<u>28,485</u>	<u>32,988</u>	<u>28,485</u>

Management has assessed that the fair values of cash and bank balances, bank balances held on behalf of clients, loan receivables, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, other borrowings, bank borrowings and bank overdrafts approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the notes payable and lease liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, which approximate to their carrying amounts.

The fair values of equity investments at fair value through other comprehensive income, equity and fund investments at fair value through profit or loss and debt investments at fair value through profit or loss are based on quoted market prices. The fair values of fund investments at fair value through profit or loss are based on the fair values of the underlying assets of the funds of which the quoted prices could be observed in dealing markets.



## Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments and non-financial instruments measured at fair value:

### Assets measured at fair value

#### At 30 June 2024

	Quoted prices in active markets (Level 1) (unaudited) <i>HK\$'000</i>	Fair value measurement using		
		Significant observable input (Level 2) (unaudited) <i>HK\$'000</i>	Significant unobservable inputs (Level 3) (unaudited) <i>HK\$'000</i>	Total (unaudited) <i>HK\$'000</i>
Equity investments at fair value through other comprehensive income	1,826	–	–	1,826
Equity and fund investments at fair value through profit or loss	30,472	–	–	30,472
Debt investments at fair value through profit or loss	–	690	–	690
	<u>32,298</u>	<u>690</u>	<u>–</u>	<u>32,988</u>

#### At 31 December 2023

	Quoted prices in active markets (Level 1) (audited) <i>HK\$'000</i>	Fair value measurement using		
		Significant observable input (Level 2) (audited) <i>HK\$'000</i>	Significant unobservable inputs (Level 3) (audited) <i>HK\$'000</i>	Total (audited) <i>HK\$'000</i>
Equity investments at fair value through other comprehensive income	2,638	–	–	2,638
Equity and fund investments at fair value through profit or loss	25,681	–	–	25,681
Debt investments at fair value through profit or loss	–	166	–	166
	<u>28,319</u>	<u>166</u>	<u>–</u>	<u>28,485</u>

During the six months ended 30 June 2024, there were no transfers of fair value measurements between Level 1 and Level 2 (31 December 2023: Nil).

The Group did not have any financial liabilities measured at fair value as at 30 June 2024 and 31 December 2023.

## 19. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these unaudited interim condensed consolidated financial statements, the Group had the following material transactions with related parties during the Period.

	<b>For the six months ended 30 June 2024 (Unaudited) HK\$'000</b>	For the six months ended 30 June 2023 (Unaudited) HK\$'000
Interest income on margin financing from directors arising from securities dealing transactions	<u>67</u>	<u>248</u>

Compensation of key management personnel of the Group:

	<b>For the six months ended 30 June 2024 (Unaudited) HK\$'000</b>	For the six months ended 30 June 2023 (Unaudited) HK\$'000
Salary, allowances and benefits in kind	807	688
Retirement scheme contribution	<u>26</u>	<u>36</u>
	<u>833</u>	<u>724</u>

## 20. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 28 August 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Results

For the six months ended 30 June 2024, the Group recorded revenue of approximately HK\$26.1 million, representing a significant decrease of 68.1% compared to revenue of approximately HK\$81.6 million for the six months ended 30 June 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\$5.4 million, as compared to a revenue of approximately HK\$36.9 million for the six months ended 30 June 2023. Due to the difficult operating environment of China’s US dollars bonds market, the provision of DCM services slowed down during the period. The loss before tax for the Period was approximately HK\$13.9 million as compared to the loss before tax of approximately HK\$31.0 million for the six months ended 30 June 2023.

The net loss after tax for the Period was approximately HK\$13.9 million as compared to the net loss after tax of approximately HK\$30.5 million for the six months ended 30 June 2023. Basic loss per share attributable to owners of the Company for the Period was approximately HK0.08 cents as compared to basis loss per share of approximately HK0.18 cents for the six months ended 30 June 2023.

### Economy Review

In the first half of 2024, led by the inbound tourism, public infrastructure projects and private consumption, Hong Kong economy recorded moderate growth, with exports of services remained as an important driver of growth. Meanwhile, private consumption and overall investment expenditures expanded mildly. The government launch nightlife campaign featuring exciting events, the resurgence of the mainland China travel market continues to grow.

In Hong Kong, the labor market continued to improve alongside the local economic recovery. The seasonally adjusted unemployment rate remains unchanged at 3% from March to May 2023 and from April to June 2024. The government has implemented the Top Talent Pass Scheme and seeks to attract highly skilled or talented persons to settle in Hong Kong in order to enhance Hong Kong’s economic competitiveness, and a series of policies have been introduced to facilitate population growth.

Amid the credit rating down-grades, geopolitical tensions, continuing high interest rate, the local stock market was under pressure in early 2024, but rose back notably in recent months ending 30 June 2024. The external environment is fraught with risks and uncertainties, triggered by heightened geopolitical tensions and interest rates remain at high level, which pose significant challenge to Hong Kong economy. the Hang Seng index fell below 15,000 points, but subsequently staged a rebound as market sentiment improved. Hong Kong’s property market was falling with downward price adjustment due to poor investment appetite and high interest rate.

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 period.

## **Business Review**

### ***Brokerage & margin financing***

The business are 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 Period, the commission income from securities and futures dealing was approximately HK\$2.5 million (30 June 2023: HK\$2.5 million) and the interest income from the securities margin was approximately HK\$1.5 million (30 June 2023: HK\$5.2 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 Period, 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 30 June 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 Period, the provision of DCM services has recorded a commission income of approximately HK\$5.4 million.

### ***Asset management***

The business are 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 Period, 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 30 June 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 30 June 2024, the assets under management have reached approximately US\$203.4 million (31 December 2023: US\$234.3 million). The management fee income are approximately HK\$2.6 million during the Period.

## **Financial Investments and Services**

### ***Financial investments and trading***

During the Period, the Hang Seng Index starts at 17,135 points and closed at 17,719 points. The Group recorded unrealized gains on equity, fund and debt investments at fair value through profit or loss of approximately HK\$0.5 million and the realized losses on the disposal of equity, fund and debt investments at fair value through profit or loss of approximately HK\$0.9 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 30 June 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 4 outstanding loans to corporate customers with an aggregate principal amount of approximately HK\$82,700,000 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:

<b>Borrower</b>	<b>Principal amount</b>	<b>Interest rate</b>	<b>Tenure</b>	<b>Security</b>
<i>(Note 1)</i>	<i>(HK\$'000)</i>	<i>(per annum)</i>	<i>(months)</i>	
			<i>(Note 2)</i>	
<b>Individual customers</b>				
A	66,000	7%	36	Equity interest in unlisted Hong Kong
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	–
<b>Corporate customers</b>				
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
O	5,200	7%	12	Equity interest in unlisted Hong Kong Entities
Total	<u>489,611.4</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 an 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 an 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 30 June 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\$452.0 million (31 December 2023: HK\$438.6 million). The Group's five largest loan receivables amounted to approximately HK\$330.9 million or 73.2% (31 December 2023: HK\$332.2 million or 75.7%) of the Group's total loan receivables. During the period, the interest income from the money lending business was approximately HK\$14.0 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 period, 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 recognized ECLs on loan receivables from the money lending business amounting to nil (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 10 to the consolidated financial statement.

## **Prospects**

Looking ahead, Hong Kong' 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 period. With the increase in awareness of environmental protection, the Group will continue to actively seek opportunities in new energy vehicle and artificial intelligent technology to expand the business scope of the Group.

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 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 new businesses.

### **Financial Review**

The Group for the Period recorded a revenue of approximately HK\$26.1 million as compared to the revenue of approximately HK\$81.6 million last period. The Group's revenue principally comprised the interest income from money lending business of approximately HK\$14.0 million, commission income from provision of DCM services of approximately HK\$5.4 million, advisory income from asset management business of approximately HK\$2.6 million, commission income from securities and futures dealing of approximately HK\$2.5 million, interest income from securities margin of approximately HK\$1.5 million.

The Group recorded net other comprehensive loss of approximately HK\$0.8 million for the Period (net other comprehensive loss for the six months ended 30 June 2023: approximately HK\$3.1 million). It was mainly attributable to a fair value loss of approximately HK\$0.8 million on equity investments at fair value through other comprehensive income (for the six months ended 30 June 2023: fair value loss of approximately HK\$1.0 million). As at 30 June 2024, the Group's net asset value was approximately HK\$775.6 million (31 December 2023: HK\$776.7 million).

### **Liquidity and Financial Resources**

During the Period, the Group generally financed its operation with internally generated cash flow, overdrafts, bank and other borrowings and other fund-raising activities. The Group's cash and bank balances as at 30 June 2024 were approximately HK\$19.4 million (31 December 2023: HK\$22.6 million).

As at 30 June 2024, the Group had bank overdrafts of approximately HK\$11.4 million (31 December 2023: 20.4 million), interest-bearing bank borrowings of approximately HK\$10 million (31 December 2023: Nil), other borrowings of approximately HK\$149.7 million (31 December 2023: HK\$148.4 million).

As at 30 June 2024, the Group's current ratio was approximately 1.78 times (31 December 2023: 3.08 times) based on current assets of approximately HK\$570.0 million (31 December 2023: HK\$810.4 million) and current liabilities of approximately HK\$321.0 million (31 December 2023: HK\$262.8 million). As at 30 June 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 30 June 2024, the Group's gearing ratio was approximately 22.1% (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\$171.1 million includes bank and other borrowings and bank overdraft.

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 Period. 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 and Disposals**

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, 3 July 2024 and 29 July 2024.

### **Details of Charges on Assets**

As at 30 June 2024, the Group had pledged certain listed equity investments of approximately HK\$401.1 million (31 December 2023: HK\$399.3 million) and two properties in PRC of approximately HK\$17.4 million to secure the other borrowings. The Group had pledged listed equity investments held by certain margin clients of approximately HK\$55.7 million to secure the bank overdraft and bank borrowings (31 December 2023: HK\$73.0 million).

## **Employment, Training and Development**

As at 30 June 2024, the Group had a total of 52 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 committed to maintaining good corporate governance, consistently enhancing transparency and effective accountability in order to maximize shareholders' benefit. Detailed disclosure of the Company's corporate governance practices was stated in its last published Annual Report for the year ended 31 December 2023.

The Company has complied with the code provisions set out in the Corporate Governance Code in Appendix C1 of the Listing Rules throughout the Period.

## **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 Period. As at 30 June 2024, there were no treasury shares held by the Company.

## **AUDIT COMMITTEE**

The Audit Committee meets at least twice a year to monitor and review the integrity and effectiveness of the Company's financial reporting. The Audit Committee has reviewed the Company's unaudited interim condensed consolidated financial statements for the Period and discussed auditing, financial and internal control, and financial reporting matters of the Company. The Audit Committee comprises three members, namely, Mr. Chan Ngai Fan (Chairman of the Audit Committee), Mr. Wu Ming and Ms. Li Meifeng, all of whom are independent non-executive directors of the Company.

## **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 Period.

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

Hong Kong, 28 August 2024

*As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Chen Xiaodong and Mr. Yu Qingrui; and three independent non-executive directors, namely, Mr. Chan Ngai Fan, Mr. Wu Ming and Ms. Li Meifeng.*