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DA YU FINANCIAL HOLDINGS LIMITED

大禹金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1073)

## ANNOUNCEMENT OF 2024 ANNUAL RESULTS

### RESULTS

The Board of Directors (the “Board”) of Da Yu Financial Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 as below:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Services revenue	3(a)	53,642	38,372
Interest revenue	3(a)	1,814	4,988
Total revenue		55,456	43,360
Other net income		3	4
Other net financial gain		14,622	7,382
Employee benefit expense		(28,091)	(20,795)
Impairment losses on financial assets, net		(617)	(100)
Impairment losses on goodwill	9	–	(172,453)
Administrative and other expenses		(16,549)	(17,144)
Finance costs		(98)	(207)
<b>Profit/(loss) before income tax</b>	5	<b>24,726</b>	<b>(159,953)</b>
Income tax expense	6	(2,221)	(1,838)
<b>Profit/(loss) for the year attributable to the owners of the Company</b>		<b>22,505</b>	<b>(161,791)</b>
<b>Other comprehensive expenses:</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		(1,173)	–
<b>Other comprehensive expenses for the year</b>		<b>(1,173)</b>	<b>–</b>
<b>Total comprehensive income/(expenses) for the year attributable to the owners of the Company (Note)</b>		<b>21,332</b>	<b>(161,791)</b>
<b>Earnings/(loss) per share attributable to the owners of the Company (HK cents)</b>	7		
– Basic		1.03	(14.20)
– Diluted		1.03	(14.20)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(Cont'd)**

*For the year ended 31 December 2024*

*Note:*

This note does not form part of the consolidated statement of profit or loss and other comprehensive income.

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>For illustration purpose only (Non-Hong Kong Financial Reporting Standard (“HKFRS”) Measures):</b>		
Total comprehensive income/(expenses) for the year	<b>21,332</b>	(161,791)
Add: Impairment losses on goodwill	—	172,453
Adjusted total comprehensive income before non-cash impairment losses on goodwill for the year <sup>(1)</sup>	<b><u>21,332</u></b>	<b><u>10,662</u></b>

<sup>(1)</sup> The Company believes that the adjusted financial measures provide useful information to investors in understanding and evaluating the consolidated statement of profit or loss and other comprehensive income of the Group in the same manner as they helped the Company’s management, and that the Company’s management and investors may benefit from referring to these adjusted financial measures in assessing the Group’s financial and operating performance from year to year by eliminating impacts of items that the Group does not consider indicative of the Group’s operating performance. However, the presentation of these non-HKFRS financial measures is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with HKFRS. You should not view the adjusted results on a standalone basis or as a substitute for results under HKFRS.

There was no tax effect in respect of the impairment losses of goodwill.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>156</b>	220
Goodwill	<i>9</i>	<b>108,788</b>	108,788
Intangible assets	<i>10</i>	<b>59,085</b>	57,537
Right-of-use assets		<b>352</b>	3,454
Mortgage loans	<i>11</i>	<b>6,691</b>	12,251
Financial assets at fair value through profit or loss (“FVPL”)		<b>85,087</b>	49,579
Other assets		<b>200</b>	200
		<hr/> <b>260,359</b>	<hr/> 232,029
<b>Current assets</b>			
Mortgage loans	<i>11</i>	<b>1,564</b>	2,968
Term loans	<i>12</i>	<b>8,657</b>	4,964
Contract assets		<b>53</b>	53
Trade and other receivables, deposits paid and prepayments	<i>13</i>	<b>3,452</b>	3,996
Amount due from a related company		<b>5,612</b>	4,225
Financial assets at FVPL		<b>148,165</b>	10,739
Client trust bank balances	<i>14</i>	<b>230,741</b>	163,152
Cash and cash equivalents		<b>98,550</b>	70,406
		<hr/> <b>496,794</b>	<hr/> 260,503
<b>Current liabilities</b>			
Contract liabilities		<b>3,243</b>	36
Trade and other payables and accrued expenses	<i>15</i>	<b>242,248</b>	168,437
Bank overdraft		<b>76</b>	–
Lease liabilities		<b>367</b>	3,156
Taxation payable		<b>537</b>	1,104
		<hr/> <b>246,471</b>	<hr/> 172,733
<b>Net current assets</b>		<hr/> <b>250,323</b>	<hr/> 87,770
<b>Total assets less current liabilities</b>		<hr/> <b>510,682</b>	<hr/> 319,799

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)***As at 31 December 2024*

	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Deferred tax liabilities	<b>8,924</b>	9,494
Employee benefit obligations	<b>402</b>	–
Lease liabilities	<b>–</b>	367
	<hr/> <b>9,326</b>	<hr/> 9,861
<b>Net assets</b>	<b><u>501,356</u></b>	<b><u>309,938</u></b>
<b>EQUITY</b>		
<b>Equity attributable to the owners of the Company</b>		
Share capital	<b>227,866</b>	113,933
Reserves	<b>273,490</b>	196,005
	<hr/> <b>501,356</b>	<hr/> 309,938
<b>Total equity</b>	<b><u>501,356</u></b>	<b><u>309,938</u></b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability on 9 September 1999. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business is Room 1801, 18th Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company and the Group is principally engaged in activities including dealing in securities, advising on securities, advising on corporate finance, asset management, investment, money lending and securities and related services.

## 2. CHANGE IN ACCOUNTING POLICIES

### 2.1 Adoption of amendments to HKFRSs – effective on 1 January 2024

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

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

The adoption of these amendments to HKFRSs has no material impact on the Group's accounting policies.

## 2.2 New and amendments to HKFRSs that have been issued but are not yet effective

The following new and amendments to HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the potential impact of these new and amendments to HKFRSs. Except for the possible impact that the adoption of the below new and amendments to HKFRSs will have in the period of initial application, the Board so far concluded that the application of these new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements.

### *Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments*

Amendments to HKFRS 9 and HKFRS 7 will be first applied for the annual reporting periods beginning on 1 January 2026 and to be applied retrospectively. The amendments clarify guidance on timing of derecognition of financial liabilities, on the assessment of cash flow characteristics and resulting classification and disclosure of financial assets with terms referencing contingent events including environmental, social and corporate governance events, and of the treatment of non-recourse assets and contractually linked instruments. The Group is still in process of assessing the impact of these amendments on the Group's consolidated financial statements.

### *HKFRS 18 – Presentation and Disclosure in Financial Statements*

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements" and will be first applied for the annual reporting periods beginning on 1 January 2027. The new standard introduced the following new requirements.

- Entities are required to classify all income and expenses into five categories in the consolidated statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

- Entities are required to disclose within a note to consolidated financial statements of management-defined performance measures (“MPMs”) with a reconciliation between MPMs and HKFRS performance measures.
- Enhanced guidance is provided on how to group the information in the financial statements or in the notes.

In addition, all entities are required to use the operating profit subtotal as the starting point for the consolidated statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in process of assessing the impact of the new standard, particularly with respect to the structure of the Group’s consolidated statement of profit or loss, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as “others”.

### 3. REVENUE

#### (a) Disaggregation of revenue

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
<b>Services Revenue</b>		
Type of services		
– Advisory and related services	28,773	20,483
– Asset management services	18,266	14,747
– Securities and related services	1,936	1,776
– Referral fees	3,746	375
– Sundry income	921	991
	<u>53,642</u>	<u>38,372</u>
<b>Revenue from contracts with customers not within the scope of HKFRS 15:</b>		
<b>Interest Revenue</b>		
Loan interest income	<u>1,814</u>	<u>4,988</u>
	<u><b>55,456</b></u>	<u><b>43,360</b></u>
<b>Timing of services revenue recognition within the scope of HKFRS 15:</b>		
At a point in time	18,462	15,871
Transferred over time	<u>35,180</u>	<u>22,501</u>
	<u><b>53,642</b></u>	<u><b>38,372</b></u>

**(b) Transaction price allocated to remaining performance obligations**

As of 31 December 2024 and 2023, the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$14,102,000 and approximately HK\$10,090,000 respectively. The transaction price does not include any estimated amounts of variable consideration, unless at the reporting date it is highly probable that the Group will satisfy the conditions of variable consideration. The Group expects to recognise the amount as revenue when the performance obligations are satisfied in coming 12 months, depending on the contract terms. The following table shows the time band for remaining performance obligations to be satisfied.

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>Remaining performance obligations expected to be satisfied during:</b>		
the year ended 31 December 2024	–	10,090
the year ending 31 December 2025	<u>14,102</u>	<u>–</u>
<i>(Note)</i>	<u><b>14,102</b></u>	<u>10,090</u>

Payment is due based on contractual terms specified in the underlying agreements.

*Note:*

According to HKFRS 15 – Revenue from Contracts with Customers, the amount of remaining performance obligations above did not include a significant advisory transaction subject to conditions, because according to its mandate, as at 31 December 2024:

- (i) there are uncertainties surrounding the actual amount to be received;
- (ii) the range for the final amounts to be received is wide, the worst of it being nil;
- (iii) the uncertainty about the amount of advisory entitlement fee is not expected to be resolved within a short period of time; and
- (iv) there is no substantial commercial reality to ascertain the amount of the advisory entitlement fee.

**4. SEGMENT INFORMATION**

The Group's reportable and operating segments are as follows:

- (a) Corporate finance services, investment and others – provision of corporate finance advisory services including financial advisory services, services incidental to financial advisory, compliance advisory services, placing agency and/or underwriting services, investment business and others.
- (b) Asset management services – provision of asset management services including investment advisory services and sundry income derived from provision of the services.
- (c) Securities and related services – provision of securities broking, underwriting and placing of securities and investment in securities.
- (d) Money lending business – provision of loan financing and related services.



## Segment revenue and results

	Corporate finance services, investment and others <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Securities and related services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>2024</b>					
Revenue					
– external	28,773	19,187	5,682	1,814	55,456
– inter-segment	–	605	–	–	605
Other net income ( <i>Note</i> )	–	1,025	1,097	3	2,125
Other net financial gain					
– all generated from proprietary trading	11,490	–	3,765	665	15,920
Less: inter-segment revenue	(1,298)	(1,630)	(1,097)	–	(4,025)
Reportable segment revenue					
– external customers	<u>38,965</u>	<u>19,187</u>	<u>9,447</u>	<u>2,482</u>	<u>70,081</u>
<b>Results</b>					
Reportable segment profit/(loss) before impairment losses on goodwill (if any), amortisation on intangible assets and income tax	22,488	6,455	(365)	(400)	28,178
Reportable segment profit/(loss) before income tax	<u>19,036</u>	<u>6,455</u>	<u>(365)</u>	<u>(400)</u>	<u>24,726*</u>
Amounts included in the measure of reportable segment profit/(loss) before income tax:					
Amortisation on intangible assets	3,452	–	–	–	3,452
Impairment losses on goodwill	–	–	–	–	–
Depreciation	493	641	2,052	2	3,188
Employee benefit expense	12,018	9,935	5,269	869	28,091
Other information:					
Additions to specified non-current assets	<u>3,002</u>	<u>2,002</u>	<u>18</u>	<u>–</u>	<u>5,022</u>

	Corporate finance services, investment and others <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Securities and related services <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
2023					
Revenue – external customers	20,483	15,738	1,776	5,363	43,360
Other net income ( <i>Note</i> )	–	–	1,056	4	1,060
Other net financial gain/(loss) – all generated from proprietary trading	9,571	–	(241)	86	9,416
Less: inter-segment revenue	<u>(2,034)</u>	<u>–</u>	<u>(1,056)</u>	<u>–</u>	<u>(3,090)</u>
Reportable segment revenue – external customers	<u>28,020</u>	<u>15,738</u>	<u>1,535</u>	<u>5,453</u>	<u>50,746</u>
Results					
Reportable segment profit/(loss) before impairment losses on goodwill, amortisation on intangible assets and income tax	13,444	6,502	(7,894)	3,900	15,952
Reportable segment (loss)/profit before income tax	<u>(162,461)</u>	<u>6,502</u>	<u>(7,894)</u>	<u>3,900</u>	<u>(159,953)*</u>
Amounts included in the measure of reportable segment (loss)/profit before income tax:					
Amortisation on intangible assets	3,452	–	–	–	3,452
Impairment losses on goodwill	172,453	–	–	–	172,453
Depreciation	543	673	2,312	1	3,529
Employee benefit expense	7,792	7,195	5,070	738	20,795
Other information: Additions to specified non-current assets	<u>994</u>	<u>1,225</u>	<u>4,075</u>	<u>9</u>	<u>6,303</u>

\* Total segment profit/(loss) equals the consolidated profit/(loss) before income tax, accordingly no reconciliation of this amount is presented.

*Note:* None of the other net income generated from proprietary trading was included in segment revenue for the years ended 31 December 2024 and 2023.

## Segment assets and liabilities

	<b>Corporate finance services, investment and others <i>HK\$'000</i></b>	<b>Asset management services <i>HK\$'000</i></b>	<b>Securities and related services <i>HK\$'000</i></b>	<b>Money lending business <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>As at 31 December 2024</b>					
<b>Reportable segment assets and consolidated total assets</b>	<b><u>439,936</u></b>	<b><u>43,531</u></b>	<b><u>244,335</u></b>	<b><u>29,351</u></b>	<b><u>757,153</u></b>
<b>Reportable segment liabilities</b>	<b>12,460</b>	<b>243</b>	<b>231,118</b>	<b>318</b>	<b>244,139</b>
Unallocated: other payables, accrued expenses, taxation payable and employee benefit obligations					<u>11,658</u>
Consolidated total liabilities					<u><u>255,797</u></u>
<b>As at 31 December 2023</b>					
<b>Reportable segment assets and consolidated total assets</b>	<b><u>237,035</u></b>	<b><u>40,085</u></b>	<b><u>177,893</u></b>	<b><u>37,519</u></b>	<b><u>492,532</u></b>
<b>Reportable segment liabilities</b>	<b>10,080</b>	<b>859</b>	<b>165,409</b>	<b>867</b>	<b>177,215</b>
Unallocated: other payables, accrued expenses and taxation payable					<u>5,379</u>
Consolidated total liabilities					<u><u>182,594</u></u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments; and
- all liabilities are allocated to operating segments other than other payables, accrued expenses, taxation payable and employee benefit obligations (except for other payables, accrued expenses, taxation payable and employee benefit obligations attributable to securities and related services and money lending business segments).

## Major customers information

Revenue from major customers, each of whom amounted to 10% or more of Group's revenue for the years ended 31 December 2024 and 2023, is set out below:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Customer A <sup>1</sup>	<b>17,839</b>	15,761
Customer B <sup>2</sup>	<b>–</b>	5,000

<sup>1</sup> Revenue from Customer A is attributable to asset management services and securities and related services.

<sup>2</sup> Revenue from Customer B is attributable to corporate finance services, investment and others.

## Geographic information

The Group's operations are mainly located in Hong Kong and all the Group's non-current assets (excluding the financial assets at FVPL) are located in Hong Kong.

## 5. PROFIT/(LOSS) BEFORE INCOME TAX

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Profit/(loss) before income tax is arrived at after charging:		
Amortisation on intangible assets ( <i>Note</i> )	<b>3,452</b>	3,452
Auditor's remuneration		
– Audit services	<b>1,035</b>	820
– Non-audit services	<b>95</b>	88
Depreciation of		
– Owned property, plant and equipment	<b>86</b>	90
– Right-of-use assets	<b>3,102</b>	3,439
Employee benefit expense (including Directors' emoluments)	<b>28,091</b>	20,795
Finance costs	<b>98</b>	207
Exchange loss, net	<b>40</b>	20
Impairment losses on financial assets, net	<b>617</b>	100
Impairment losses on goodwill	<b>–</b>	172,453

*Note:* Amortisation on intangible assets is included in "Administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income.

## 6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the years ended 31 December 2024 and 2023. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of a subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The amount of taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Current tax		
– Hong Kong profits tax	<b>2,804</b>	2,413
– Over-provision in prior years	<u>(13)</u>	<u>(6)</u>
	<b>2,791</b>	2,407
Deferred tax	<u>(570)</u>	<u>(569)</u>
Income tax expense	<u><b>2,221</b></u>	<u>1,838</u>

## 7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
<b>Earnings/(loss) for the purposes of basic and diluted earnings/(loss) per share</b>		
Profit/(loss) for the year attributable to the owners of the Company	<u><b>22,505</b></u>	<u>(161,791)</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings/(loss) per share	<u><b>2,179,046,812</b></u>	<u>1,139,330,190</u>

There were no potential ordinary shares in issue for the years ended 31 December 2024 and 2023. Accordingly, the diluted earnings/(loss) per share presented are the same as the basic earnings/(loss) per share.

The weighted average number of ordinary shares of 2,179,046,812 for the year ended 31 December 2024 is derived from 1,139,330,190 shares in issue as at 1 January 2024 after taking into account the effects of the issue of shares upon rights issue completed on 2 February 2024.

## 8. DIVIDENDS

### Dividends recognised as distribution to owners of the Company during the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
2024 proposed final dividend declared – HK0.28 cent (2023: Nil)	6,380	–
Proposed special dividend declared – HK0.16 cent (2023: Nil)	<u>3,646</u>	<u>–</u>
	<u><u>10,026</u></u>	<u><u>–</u></u>

The Board has recommended the payment of a final dividend and a special dividend of HK0.28 cent and HK0.16 cent per share for the year ended 31 December 2024 respectively. The proposed final dividend and special dividend are subject to the approval of the shareholders of the Company (the “Shareholders”) at the forthcoming annual general meeting of the Company (the “AGM”). The proposed final dividend and special dividend in respect of the year declared subsequent to 31 December 2024 has not been recognised as a liability as at 31 December 2024.

## 9. GOODWILL

The amount of goodwill capitalised as an asset, arising from acquisition of a subsidiary in previous years is as follows:

	<i>HK\$'000</i>
<b>Cost</b>	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>302,965</u>
<b>Accumulated impairment</b>	
At 1 January 2023	21,724
Impairment losses	<u>172,453</u>
<b>At 31 December 2023, 1 January 2024 and 31 December 2024</b>	<u><b>194,177</b></u>
<b>Carrying amount</b>	
At 31 December 2023	<u>108,788</u>
<b>At 31 December 2024</b>	<u><b>108,788</b></u>

For the purpose of impairment testing, goodwill is allocated to the cash-generating units, each of which represent an operating and reportable segment of the Group, as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Corporate finance services, investment and others (“CF CGU”)	74,196	74,196
Asset management services (“AM CGU”)	34,592	34,592
	<u>108,788</u>	<u>108,788</u>

## 10. INTANGIBLE ASSETS

	Investment management agreement <i>HK\$'000</i>	Backlog <i>HK\$'000</i>	Trade name <i>HK\$'000</i>	Securities and Futures Commission licences <i>HK\$'000</i>	Club membership <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>						
At 1 January 2023, 31 December 2023 and 1 January 2024	15,560	9,620	69,044	3,740	–	97,964
Addition	–	–	–	–	5,000	5,000
<b>At 31 December 2024</b>	<u>15,560</u>	<u>9,620</u>	<u>69,044</u>	<u>3,740</u>	<u>5,000</u>	<u>102,964</u>
<b>Amortisation and impairment</b>						
At 1 January 2023	15,560	9,620	11,795	–	–	36,975
Amortisation	–	–	3,452	–	–	3,452
At 31 December 2023 and 1 January 2024	15,560	9,620	15,247	–	–	40,427
Amortisation	–	–	3,452	–	–	3,452
<b>At 31 December 2024</b>	<u>15,560</u>	<u>9,620</u>	<u>18,699</u>	<u>–</u>	<u>–</u>	<u>43,879</u>
<b>Carrying amount</b>						
At 31 December 2023	–	–	53,797	3,740	–	57,537
<b>At 31 December 2024</b>	<u>–</u>	<u>–</u>	<u>50,345</u>	<u>3,740</u>	<u>5,000</u>	<u>59,085</u>

## 11. MORTGAGE LOANS

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Secured mortgage loans	<b>8,255</b>	15,219
Analysed for reporting purposes as:		
– Non-current assets	<b>6,691</b>	12,251
– Current assets	<b>1,564</b>	2,968
	<b>8,255</b>	15,219

The major terms of mortgage loans are as follows:

	<b>2024</b>	2023
Interest rate (per annum) – variable rate loan receivables	<b>P+2% -P+13%</b>	P%-P+13%
Tenure	<b>1 month to 11 years</b>	3 months to 12 years
Principal amounts	<b>HK\$11,000 to HK\$1,986,000</b>	HK\$16,000 to HK\$2,283,000
Number of mortgage loans customers	<b>15</b>	27
– Individual	<b>15</b>	26
– Unlisted corporate	<b>–</b>	1
Loan to value ratio	<b>0.5% -58.4%</b>	0.9%-51.0%
Collateral	<b>Residential/ commercial properties</b>	Residential/ commercial properties

“P” refers to Hong Kong dollars prime rate offered by The Hongkong and Shanghai Banking Corporation Limited from time to time to its prime customers, which is 5.250% (2023: 5.875%) at 31 December 2024.

The following is an ageing analysis for the mortgage loans that are past due at the reporting date:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Less than 31 days past due	–	953
61 – 90 days	–	946
	–	1,899

During the years ended 31 December 2024 and 2023 and as at 31 December 2024 and 2023, the Group has not recognised any loss allowance for the mortgage loans with the carrying amount of HK\$8,255,000 (2023: HK\$15,219,000) which are secured by collateral as the realisable value of collateral of such mortgage loans can be objectively ascertained to cover the outstanding loan amounts.



## 12. TERM LOANS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Current assets</b>		
Term loans	9,047	5,064
Less: impairment allowance	(390)	(100)
	<u>8,657</u>	<u>4,964</u>

The major terms of term loans are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fixed rate loan receivables (per annum)	<i>(Note)</i>	22.0%-24.0%
Tenure	<i>(Note)</i>	1 month to 0.5 year
Principal amounts	<b>HK\$9,000,000</b>	HK\$1,502,000 to HK\$3,562,000
Number of term loans customers	1	2
– Individual	1	–
– Listed corporate	–	1
– Unlisted corporate	–	1
Number of loan renew	–	1
Number of times rolled over	–	1 time

*Note:* The term loan was granted on 17 June 2024 to borrower at an interest rate of 15.055556% for the first interest period and 11% per annum thereafter and repayment date was 17 December 2024. Repayment date of the term loan be extended to 17 December 2025 on 10 January 2025 at an interest rate of 13.616487% per annum for the interest period between 17 December 2024 and 16 January 2025 and 11% per annum thereafter. Details of the transaction were disclosed in the Company's announcement dated 10 January 2025.

No ageing analysis is disclosed for term loans financing, as, in the opinion of the Directors, the ageing analysis does not give additional value in the view of the nature of the term loans financing business.

## 13. TRADE AND OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Current assets</b>		
Trade receivables ( <i>Note</i> )	1,452	2,041
Other receivables	260	220
Prepayments	792	787
Rental and utility deposits	948	948
	<u>3,452</u>	<u>3,996</u>

*Note:* The Group normally applies credit terms to its customers according to industry practice together with consideration of their creditability, repayment history and years of establishment. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

The Board considers that the fair values of trade and other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The ageing analysis of the carrying amount of the Group's trade receivables as at the reporting date, based on invoice dates, is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Within 30 days	<b>1,452</b>	456
Over 30 days but within 60 days	–	1,330
Over 90 days but within 365 days	–	255
	<u>          </u>	<u>          </u>
Carrying amount of trade receivables, net of loss allowance	<b><u>1,452</u></b>	<b><u>2,041</u></b>

At each reporting date, the Group reviews trade receivables for impairment on both individual and collective basis.

As at 31 December 2024, loss allowances of approximately HK\$327,000 (2023: approximately HK\$5,091,000) were made against the gross amount of trade receivables.

Movement in the loss allowances amount in respect of trade receivables during the years ended 31 December 2024 and 2023 is as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
At 1 January	<b>5,091</b>	5,091
Written off	<b>(5,091)</b>	–
Expected credit losses (“ECLs”) recognised during the year	<b>327</b>	–
	<u>          </u>	<u>          </u>
At 31 December	<b><u>327</u></b>	<b><u>5,091</u></b>

#### **14. CLIENT TRUST BANK BALANCES**

The Group maintains segregated deposit accounts with a recognised bank to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as client trust bank balances under the current assets section of the consolidated statement of financial position and recognised the corresponding trade payables (Note 15) to respective clients as it is liable for any loss or misappropriation of clients' monies. The segregated deposit accounts balances are restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

## 15. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables arising from the ordinary course of business of securities dealing and brokerage services ( <i>Note</i> )		
– Clients	228,498	163,160
– Hong Kong Securities Clearing Company Limited	2,228	–
Other payables and accrued expenses	<u>11,522</u>	<u>5,277</u>
	<u><b>242,248</b></u>	<u><b>168,437</b></u>

*Note:* The settlement terms of trade payables attributable to dealing in securities are two days after the trade date.

No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis does not give additional value to users of this announcement in view of the business nature of securities dealing and brokerage services.

As at 31 December 2024, included in trade payables arising from the ordinary course of business of securities dealing and brokerage services was an amount of approximately HK\$230,741,000 (2023: approximately HK\$163,152,000) payable to clients in respect of segregated deposit accounts balances received and held for clients in the course of the conducting regulated activities.

## 16. EVENT AFTER THE REPORTING DATE

On 10 January 2025, the Group, as lender, and an independent third party, as borrower, entered into an agreement supplemental to the loan agreement dated 17 June 2024 (the “Supplemental Agreement”), pursuant to which the parties to the Supplemental Agreement agreed to extend the repayment date of a loan in the principal amount of HK\$9,000,000 to 17 December 2025, or such other date as may be agreed in writing between the lender and the borrower. The Group considered the transaction could bring interest income to the Group. Details of the transaction were disclosed in the Company’s announcement dated 10 January 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the year ended 31 December 2024 (the “Current Reporting Period”), the Group is principally engaged in the provision of corporate finance advisory services and asset management services through its wholly-owned subsidiary, Yu Ming Investment Management Limited (“Yu Ming”), in investment in securities through a wholly-owned subsidiary, Yu Ming High Dividend Fund (“YMHD Fund”), in securities broking and placing of securities through a wholly-owned subsidiary, Morton Securities Limited (“Morton Securities”), and in money lending business in Hong Kong mainly through another wholly-owned subsidiary, Morgan Finance Limited (“Morgan Finance”).

Yu Ming is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

YMHD Fund is a fund incorporated as an exempted company in the Cayman Islands and registered as a regulated mutual fund under the Mutual Funds Act of the Cayman Islands.

Morton Securities is a securities dealer licensed to carry out Type 1 (dealing in securities) regulated activities under the SFO. Morton Securities is also an Exchange Participant of the Stock Exchange and is admitted by Hong Kong Securities Clearing Company Limited to participate in the Central Clearing and Settlement System as a Direct Clearing Participant (within the meaning of the General Rules of Central Clearing and Settlement System).

Morgan Finance holds the money lenders licence, which was granted by the licensing court pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Money Lenders Regulations, allowing Morgan Finance to carry on money lending business in Hong Kong.

#### **Corporate Finance Advisory**

During the Current Reporting Period, the corporate finance advisory services provided by Yu Ming mainly included the following:

- (i) acting as financial adviser to advise listed issuers, shareholders and investors of listed issuers and entities on specific transactions in respect of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and/or the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”);
- (ii) acting as independent financial adviser to listed issuers to provide independent advice required under the Listing Rules, the Takeovers Code or other specific circumstances; and

(iii) acting as financial adviser to listed issuers on retainer basis to advise listed issuers on corporate strategies and compliance with the Listing Rules, the GEM Listing Rules and the Takeovers Code.

Amongst the transactions advised include resumption of trading of Main Board listed companies on the Stock Exchange, takeover under the Takeovers Code and hostile situations.

Revenue for the Current Reporting Period from corporate finance advisory and related services was approximately HK\$28.8 million (2023: approximately HK\$20.5 million).

### **Asset Management**

During the Current Reporting Period, Yu Ming provided asset management services to SHK Hong Kong Industries Limited and other two investment funds, including YMHD Fund.

Revenue for the Current Reporting Period from asset management services was approximately HK\$19.2 million (2023: approximately HK\$15.7 million), net of intragroup asset management service fee.

### **Goodwill Assessment and Impairment**

An accounting goodwill of approximately HK\$303.0 million was recognised when the Group acquired Yu Ming in 2019, based on HKFRS 3 (Revised) Business Combinations. A goodwill is continuously subject to impairment testing and at least annually.

Impairment testing involves assessing the value in use of the CF CGU and the AM CGU of Yu Ming in the case of the Group, to which the goodwill is allocated. This assessment requires the Company to estimate the expected future cash flows from these units and to use an appropriate discount rate (which varies from time to time) to determine the present value of those cash flows.

During the estimation of expected future cash flows, management must consider assumptions regarding future revenue and profits, which are contingent upon future events and circumstances. Additionally, the discount rate depends on, inter alia, market interest rates, market risk and asset-specific risk factors.

The Board carefully assessed the necessity for goodwill impairment by conducting a thorough analysis of the current economic climate and market conditions, and finally considered no additional goodwill impairment to be recognised in 2024 (2023: a material goodwill impairment of approximately HK\$172.4 million). If isolating the effect of non-cash goodwill impairment, the consolidated financial results of the Company for the 12 months ended 31 December 2024 recorded an adjusted total comprehensive income for the Current Reporting Period of approximately HK\$21.3 million, compared to the adjusted total comprehensive income before goodwill impairment of approximately HK\$10.6 million in the previous year.

## **Investment**

During the Current Reporting Period, YMHD Fund principally carried on investment in securities.

Other net financial gain for the Current Reporting Period from YMHD Fund's investment in securities was approximately HK\$2.7 million (2023: Nil).

## **Securities Broking**

During the Current Reporting Period, Morton Securities was principally engaged in securities broking, placing of securities and investment in securities.

Morton Securities maintains a solid operation despite a small loss during the Current Reporting Period.

Revenue for the Current Reporting Period from securities and related services was approximately HK\$5.7 million (2023: approximately HK\$1.8 million).

## **Money Lending**

During the Current Reporting Period, Morgan Finance was principally engaged in money lending business in Hong Kong.

### *Nature of lending services*

Morgan Finance together with its subsidiary derive referral fees and interest income from commercial and personal lending as well as property mortgage financing. The loans granted to customers range from unsecured loans (i.e. term loan and personal loan) to secured loans (i.e. property mortgage and share mortgage). In view of the economic instability, Morgan Finance continued to adhere to its cautious approach to strengthening the overall credit risk management and control mechanism, in order to minimise default risks, it also adjusted the interest rate and loan to value ratio on a timely basis, according to the market situation.

Revenue for the Current Reporting Period from money lending and related business was approximately HK\$1.8 million (2023: approximately HK\$5.4 million).

### *Impairment provisions of mortgage loans and term loans*

Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The ECL for term loans is assessed individually and mortgage loans is assessed collectively. In determining impairment allowances on term loans and mortgage loans, the measurement of ECL requires estimation of the amounts in respect of expected future cash flows and the assessment of whether there have been a significant increase in credit risk.

The impairment provision has taken into account the financial strength of the borrowers as well as the quality of collateral and other credit enhancements.

In respect of secured mortgage loans with the carrying amount of approximately HK\$8.3 million as at 31 December 2024 (2023: approximately HK\$15.2 million), the realisable value of collateral of such mortgage loans can be objectively ascertained to cover the outstanding loan amounts based on valuations conducted at the end of the financial year.

The loan to value ratio, calculated by dividing the outstanding loans of each mortgage loan by the appraised value of its property pledged, ranged from 0.5% to 58.4% as at 31 December 2024 (2023: 0.9% to 51.0%).

## FINANCIAL REVIEW

### Overall Results

The financial results of the Group are highlighted as follows:

	<b>2024</b> <i>HK\$ million</i>	2023 <i>HK\$ million</i>
Revenue	<b>55.5</b>	43.4
Other net financial gain	<b>14.6</b>	7.3
Reportable segment revenue	<b>70.1</b>	50.7
Employee benefit expense	<b>(28.1)</b>	(20.8)
Impairment losses on financial assets, net	<b>(0.6)</b>	(0.1)
Impairment losses on goodwill	–	(172.4)
Amortisation on intangible assets	<b>(3.5)</b>	(3.5)
Administrative and other expenses excluding amortisation on intangible assets	<b>(13.1)</b>	(13.7)
Finance costs	<b>(0.1)</b>	(0.2)
<b>Profit/(loss) before income tax</b>	<b>24.7</b>	(160.0)
Income tax expense	<b>(2.2)</b>	(1.8)
<b>Profit/(loss) for the year</b>	<b>22.5</b>	(161.8)
Exchange differences on translation of foreign subsidiaries	<b>(1.2)</b>	–
<b>Total comprehensive income/(expenses) for the year</b>	<b>21.3</b>	(161.8)
<b>Adjusted total comprehensive income excluding non-cash impairment losses on goodwill for the year</b>	<b>21.3</b>	10.6
Return on equity attributable to owners of the Company	<b>5.5%</b>	(41.4%)
Earnings/(loss) per share (HK cents)		
– Basic	<b>1.03</b>	(14.20)
– Diluted	<b>1.03</b>	(14.20)

YMHD Fund became a wholly-owned subsidiary of the Company in February 2024. YMHD Fund's results were consolidated into the Group's financial statements since then.



## Earnings and Expenses

The consolidated financial results of the Company for the 12 months ended 31 December 2024 recorded a profit for the Current Reporting Period of approximately HK\$22.5 million, compared to the loss of approximately HK\$161.8 million in the previous year. If isolating the effect of non-cash goodwill impairment, the consolidated financial results of the Company for the 12 months ended 31 December 2024 recorded an adjusted total comprehensive income for the Current Reporting Period of approximately HK\$21.3 million, compared to the adjusted total comprehensive income before goodwill impairment of approximately HK\$10.6 million in the previous year.

The above-mentioned increase in profit was mainly due to (i) absence of approximately HK\$172.4 million non-cash goodwill impairment; (ii) increase in corporate finance advisory income; and (iii) increase in bond investment income during the Current Reporting Period.

The Group's basic profit per share for the Current Reporting Period was HK1.03 cents (2023: loss per share of HK14.20 cents).

Revenue for the Current Reporting Period increased by approximately HK\$12.1 million, or 27.9%, to approximately HK\$55.5 million, compared to approximately HK\$43.4 million in the previous year. This growth was mainly due to the increase in corporate finance advisory fee income, which increased by approximately HK\$8.3 million, or 40.5%, to approximately HK\$28.8 million and the growth in referral fees by approximately HK\$3.4 million, or 898.9%, to approximately HK\$3.7 million.

Other net financial gain increased by approximately HK\$7.3 million, or 98.1%, to approximately HK\$14.6 million in 2024, compared to approximately HK\$7.3 million in 2023. This was mainly due to the increase in interest income by approximately HK\$4.8 million, or 256.3%, resulting in a interest income of approximately HK\$6.6 million for the whole year.

Employee benefit expenses increased by approximately HK\$7.3 million, or 35.1%, to approximately HK\$28.1 million in 2024, compared to approximately HK\$20.8 million in the previous year. This change was mainly due to increase in staff bonus, which increased by approximately HK\$5.1 million, or 107.6%, to approximately HK\$9.8 million.

Profit before income tax increased by approximately HK\$184.7 million, or 115.5%, to approximately HK\$24.7 million in 2024. This improvement was due to the increase in revenue, as well as an absence of non-cash goodwill impairment of approximately HK\$172.4 million in 2024. If isolating the effect of non-cash goodwill impairment, the adjusted total comprehensive income before impairment losses on goodwill increased by approximately HK\$10.7 million, or 100.1% to approximately HK\$21.3 million in 2024, compared to approximately HK\$10.6 million in previous year.

## **Revenue and Financial Resources**

For the Current Reporting Period, the Group had revenue of approximately HK\$55.5 million (2023: approximately HK\$43.4 million).

As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$98.6 million (2023: approximately HK\$70.4 million). As at 31 December 2024, the Group's current ratio (current assets to current liabilities) was approximately 201.6% (2023: approximately 150.8%).

For the Current Reporting Period, the Group had no material exposure to fluctuations in exchange rates.

## **Indebtedness and Banking Facilities**

As at 31 December 2024, the Group had no bank and other borrowings other than unsecured bank overdraft of HK\$0.1 million (2023: Nil).

The Group's gearing ratio, calculated by reference to the ratio of total bank borrowings (if any) to total equity attributable to the owners of the Company as at 31 December 2024 and 2023, was 0%.

## **Assets and Liabilities**

As at 31 December 2024, the Group had total assets of approximately HK\$757.2 million (2023: approximately HK\$492.5 million) and total liabilities of approximately HK\$255.8 million (2023: approximately HK\$182.6 million). The net assets of the Group as at 31 December 2024 were approximately HK\$501.4 million (2023: approximately HK\$309.9 million).

## **Capital Structure**

The share capital during the Current Reporting Period was changed due to the completion of the rights issue as disclosed in the "Use of Proceeds" section below.

As at 31 December 2024, the Company's number of issued shares was 2,278,660,380 shares (2023: 1,139,330,190 shares).

## Use of Proceeds

On 17 November 2023, the Company proposed to issue by way of rights (the “Rights Issue”) up to 1,139,330,190 new shares (the “Rights Share(s)”) at a subscription price of HK\$0.15 per Rights Share on the basis of one (1) Rights Share for every one (1) share of the Company. The aggregate nominal value of the Rights Shares was HK\$113,933,019. The reasons for the Rights Issue were: (i) to seed money into YMHD Fund so as to expand the Group’s asset management business; and (ii) to increase the financial resources of Morgan Finance which will enable Morgan Finance to seize new growth opportunities so as to expand the Group’s money lending business. The Rights Issue was approved by the independent Shareholders at the extraordinary general meeting held on 28 December 2023. The Rights Issue had been completed on 2 February 2024 and an aggregate of 1,139,330,190 new shares had been allotted and issued by the Company. The gross proceeds from the Rights Issue were approximately HK\$170.9 million and the net proceeds from the Rights Issue, after deducting all relevant expenses for the Rights Issue, were approximately HK\$170.1 million. The net price per Rights Share was approximately HK\$0.149. The closing market price per share of the Company on 17 November 2023 (being the date on which the terms of Rights Issue were fixed) was HK\$0.135. Details of the Rights Issue were disclosed in the Company’s announcements dated 17 November 2023, 28 December 2023 and 1 February 2024, the Company’s circular dated 11 December 2023 and the Company’s prospectus dated 11 January 2024.

As at 31 December 2024, the net proceeds from the Rights Issue of approximately HK\$170.1 million had been fully utilised during the year.

	<b>Intended use of net proceeds from the Rights Issue HK\$ million</b>	<b>Actual use of net proceeds as at 31 December 2024 HK\$ million</b>
Expansion of asset management business	150.1	150.1
Expansion of money lending business	20.0	20.0
Total	<u>170.1</u>	<u>170.1</u>

## Commitments

As at 31 December 2024 and 2023, the Group had no outstanding contracted capital commitments.

## Charges on Group Assets

As at 31 December 2024 and 2023, the Group had no assets under pledge.

## Significant Investments, Acquisitions and Disposals

### *YMHD Fund*

YMHD Fund was launched in February 2024. In February 2024, the Company invested USD15.0 million (equivalent to approximately HK\$117.4 million) in the YMHD Fund which became wholly-owned subsidiary of the Company. YMHD Fund's results were consolidated into the Group's financial statements since February 2024. The Company increased investment in the YMHD Fund of USD4.2 million (equivalent to approximately HK\$32.8 million) in July 2024, with total cost amounted to USD19.2 million (equivalent to approximately HK\$150.2 million). Details of YMHD Fund were disclosed in the Company's announcements dated 17 November 2023 and 1 February 2024, the Company's circular dated 11 December 2023 and the Company's prospectus dated 11 January 2024 in connection with the Rights Issue.

### *Perpetual notes issued by Standard Chartered PLC ("SC Bank"), (the "SC Notes")*

On 9 July 2024, the Group purchased a nominal amount of USD1.0 million at a discount at approximately HK\$6.8 million of the SC Notes. Together with the SC Notes previously held, the total purchasing cost amounted to approximately HK\$13.0 million as at 9 July 2024. The SC Notes are fixed rate resetting perpetual subordinated contingent convertible securities issued by SC Bank with the outstanding principal amount of USD1,500.0 million and initial coupon rate of 4.3% and callable since 19 August 2028. Details of the transaction were disclosed in the Company's announcement dated 9 July 2024.

As at 31 December 2024, the Group held total USD7.0 million nominal amount of the SC Notes and total cost of approximately HK\$47.3 million.

As at 31 December 2024, the fair value of the SC Notes was approximately HK\$49.7 million (representing 6.6% of the Group's total assets). No realised gain/loss and dividend was recorded but unrealised gain of approximately HK\$2.4 million and received coupons of HK\$0.7 million from the SC Notes were recognised during the Current Reporting Period.

SC Bank was incorporated in England and Wales as a public limited company and its shares are listed on the Main Board of the Stock Exchange (stock code: 2888) and London Stock Exchange (stock code: STAN.LN). SC Bank is an international banking and financial services group with a focus on the markets of Asia, Africa and the Middle East.

## Performance of SC Notes' issuer, SC Bank:

The SC Bank and its subsidiaries (“SC Group”) remains well capitalised and highly liquid with a strong and diverse deposit base. The liquidity coverage ratio of 138% reflects disciplined asset and liability management. The common equity tier 1 ratio of 14.2% is above the SC Group’s target range of 13% to 14%, enabling the board of the SC Bank to announce a USD1.5 billion share buyback programme to commence imminently.

Operating income of USD19.7 billion increased by 14% or 12% excluding the benefit of two notable items and the reclassification. The double-digit growth was driven by record performance in Wealth Solutions and strong double-digit growth in Global Markets and Global Banking.

Net interest income increased 10%, benefitting from the roll-off of short-term hedges of USD455 million, and improved asset mix from a reduction in treasury assets to fund the trading book. This was partly offset by lower average interest earning asset volumes and the impact of elevated pass-through rates on deposit margins. Excluding the reclassification, net interest income was up 8%.

Non-net interest income increased 20%. This was driven by a record performance in Wealth Solutions with broad-based growth across products, strong performance in Global Markets with double-digit growth in both flow and episodic income and strong performance in Global Banking from higher origination volumes. Excluding two notable items of USD295 million, non-net interest income increased 16%.

Operating expenses excluding the United Kingdom bank levy increased 7%, or 6% excluding the reclassification. This was largely driven by inflation, strategic investments and continued investments into business growth initiatives, including strategic hiring of Relationship Managers in Wealth & Retail Banking (“WRB”) and coverage bankers in Corporate & Investment Banking (“CIB”), partly offset by efficiency saves. The SC Group generated 7% positive income-to-cost jaws and the cost-to-income ratio improved by 4 percentage points to 59%.

Credit impairment of USD557 million in 2024 was up 5% year-on-year. WRB impairment of USD644 million was up USD290 million, mainly from the higher interest rate environment impacting repayments on credit cards and personal loans, and the growth and maturation of the digital partnership portfolios in China and Indonesia. This was partly offset by a USD106 million net recovery in CIB.

Other impairment of USD588 million of which USD561 million relates to write-off of software assets, with no impact on capital ratios.

Profit from associates and joint ventures was down 47% to USD50 million mainly reflecting lower profits at China Bohai Bank.

Restructuring, other items and Debit Valuation Adjustment (“DVA”) totalled USD797 million. Restructuring of USD441 million reflects the impact of actions to transform the organisation to structurally improve productivity, of which USD156 million relates to the Fit for Growth programme, partly offset by gains on the remaining Principal Finance portfolio. Other items of USD332 million includes losses related to the sale of Zimbabwe of USD172 million, Angola of USD26 million and Sierra Leone of USD19 million all primarily from the recycling of FX translation losses from reserves into the income statement, with no impact on tangible equity or capital. There was also a USD100 million charge booked for participation in a compensation scheme recommended by the Korean Financial Supervisory Service. Movements in the DVA were a negative USD24 million.

Taxation was USD1,972 million on a reported basis, with an underlying effective tax rate of 30.6% up from 29.1% in the prior year reflecting deferred tax not recognised for losses of United Kingdom, tax adjustments of the United States of America, lower tax-exempt income and a change in the geographic mix of profits.

Underlying return on tangible equity increased by 160 basis points to 11.7% mainly reflecting an increase in profits.

Underlying basic earnings per share increased US39.2 cents or 30% to US168.1 cents and reported earnings per share increased US32.7 cents or 30% to US141.3 cents.

#### Prospects of SC Notes’ issuer, SC Bank:

Looking forward, the SC Bank expects the global growth rate to be broadly flat in 2025, moderating down slightly to 3.1% from 3.2% in 2024, but then accelerating in 2026 to 3.3%. Support from looser financial conditions and expansionary fiscal policy may be partly offset by protectionist trade policies and interest rates that remain high.

Growth in SC Bank’s footprint markets across Asia, Africa and the Middle East, is expected to outpace global growth, with Asia expanding by 4.8% in 2025, Africa growing by 4.3% and the Middle East (including Pakistan) by 3.6%. The SC Bank also expects growth in the Association of Southeast Asian Nations (“ASEAN”) and India to remain healthy, despite the moderating outlook for key western trade partners, and the SC Group uniquely positioned to take advantage of this with its presence in all 10 ASEAN markets, as well as being one of the largest international banks in South Asia.

Furthermore, the SC Bank is targeting a return on tangible equity approaching 13% in 2026, and for it to progress thereafter, and aiming to deliver this through strong income growth and improving operational leverage aided by its Fit for Growth programme and maintaining its responsible approach to risk and capital.

#### Investment strategy in SC Notes:

In view of the decent yield, the Group intends to hold the investment.

*Perpetual notes issued by The Bank of East Asia, Limited (“BEA”), (the “BEA Notes”)*

As at 31 December 2024, Yu Ming held a total nominal amount of USD6.0 million in the BEA Notes and the total cost amounted to approximately HK\$37.2 million.

As at 31 December 2024, the fair value of the BEA Notes was approximately HK\$46.7 million (representing 6.2% of the Group’s total assets). No realised gain/loss and dividend was recorded but unrealised gain of approximately HK\$5.2 million and received coupons of approximately HK\$2.7 million from the BEA Notes were recognised during the Current Reporting Period.

BEA is incorporated in Hong Kong with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 23). BEA and its subsidiaries (“BEA Group”) are principally engaged in banking and financial sectors.

Performance of BEA Notes’ issuer, BEA:

In 2024, BEA Group earned a profit attributable to owners of BEA of HK\$4,608 million, representing an increase of 11.9% compared with the HK\$4,118 million earned in 2023.

Basic earnings per share of BEA were HK\$1.52 in 2024, compared to HK\$1.32 the previous year. The return on average assets increased by 0.1 percentage points to 0.5%, while the return on average equity increased by 0.4 percentage points to 4.0%.

Pre-provision operating profit was held stable at HK\$11,345 million. Net interest income decreased by HK\$345 million, or 2.0%, to HK\$16,529 million. With the reduction in interest rates, the net interest margin narrowed by 5 basis points year-on-year, from 2.14% to 2.09%. Net fee and commission income increased by 6.2% year-on-year to HK\$2,802 million. This was driven by increased investment activities and third-party insurance sales.

Net trading and hedging results and net results from other financial instruments grew by HK\$391 million, or 41.3%, to HK\$1,336 million. Non-interest income rose by 14.9% to HK\$4,450 million.

Overall, total operating income was held stable at HK\$20,979 million.

Operating expenses rose by HK\$202 million, or 2.1%, to HK\$9,634 million. BEA continued to invest in talent and digital capabilities while realising efficiency gains from its transformation initiatives. The cost-to-income ratio for 2024 increased by 0.4 percentage points to 45.9%.

Impairment losses on financial instruments were HK\$5,497 million. The BEA Group's impaired loan ratio stood at 2.72% at the end of December 2024, up from 2.69% at the end of December 2023.

Prospects of BEA Notes' issuer, BEA:

The central government of China is proactively pursuing measures to rebalance the economy and enhance self-sufficiency while reducing reliance on exports. Apart from well-publicised efforts to secure supply chains and attain technology autonomy, BEA expects that the authorities will continue implementing stimulus measures to stabilise the real estate market and drive domestic consumption.

BEA believes that, Hong Kong occupies a distinct position in China's future development. Whether it be investment diversification for individuals, or fundraising for Chinese corporates, Hong Kong stands as the premier and preferred financial centre for Chinese capital. The territory possesses many strengths and is poised to reap the benefits of China's stimulus programmes, expansion of overseas investment, and the ongoing internationalisation of the Chinese yuan.

Going forward, BEA will actively seek new opportunities while continuing to manage risks prudently and maintaining a robust balance sheet. It intends to leverage its unique OneBank platform to play a pivotal role in facilitating the cross-boundary flow of people, payments, and commerce. BEA is expected to continue to centralise, streamline, and digitalise all aspects of its activities in its pursuit of becoming a truly seamless and frictionless cross-boundary bank.

BEA recognises technology as an ongoing journey and an integral component of its banking business. It expects that all future customer interactions and bank operations will be digitally enhanced and increasingly AI-enabled. BEA is expected to enable more refined and timely personalisation and rapid turnaround times, fulfilling its commitment to serve customers' holistic banking needs.

Investment strategy in BEA Notes:

In view of the decent yield, the Group intends to hold the investment.

Save as disclosed above, there were no significant investments, acquisitions and disposals by the Group during the Current Reporting Period.



## **Contingent Liabilities**

As at the date of this announcement and as at 31 December 2024 and 2023, the Board is not aware of any material contingent liabilities.

## **EVENT AFTER THE REPORTING DATE**

Details of event after the reporting date are disclosed in note 16 to the consolidated financial statements on page 19 of this announcement.

Save as disclosed above, there are no important events affecting the Group which have occurred after the end of the Current Reporting Period and up to the date of this announcement.

## **PROSPECT**

Our corporate finance business is mostly driven by the transactions mandates secured during the year and our team will remain active in specialty works which we are known for our competence, and to a lesser extent depends on annual retainers. Asset management business on the contrary provides a long term steady income and our team increased and expects to continue to negotiate additional funds under management. Securities broking business is expected to remain a viable business after having attained a break-even in 2024 through optimization of operations and business. Money lending business will continue to tread cautiously amidst the soft local economy.

## **DIVIDENDS**

The Board has resolved to recommend for the approval of the Shareholders at the forthcoming AGM to be held on Friday, 30 May 2025 the payment of a final dividend of HK0.28 cent per share and a special dividend of HK0.16 cent per share for the year ended 31 December 2024. The proposed final dividend and special dividend will together make a total dividends for the year 2024 of HK0.44 cent per share (2023: Nil).

Subject to the approval by the Shareholders at the AGM, the proposed final dividend and special dividend will be paid on Friday, 20 June 2025 to the Shareholders whose names registered in the register of members of the Company at the close of business on Wednesday, 11 June 2025.

## **CLOSURES OF REGISTER OF MEMBERS**

### **(1) For determining the entitlement to attend, speak and vote at the AGM**

The forthcoming AGM is scheduled to be held on Friday, 30 May 2025. The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. To be eligible to attend, speak and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

### **(2) For determining the entitlement to the proposed final dividend and the proposed special dividend**

For determining the entitlement to the proposed final dividend and the proposed special dividend for the year ended 31 December 2024, the register of members of the Company will be closed from Monday, 9 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order for a Shareholder to qualify for the proposed final dividend and the proposed special dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 June 2025.

## **CORPORATE GOVERNANCE PRACTICES**

The Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules during the Current Reporting Period, except for code provision F.2.2 as set out hereunder.

Under the code provision F.2.2, the chairman of the board should attend the annual general meeting. Mr. Kuo Jen-Hao, a Non-Executive Director and the chairman of the Board, was unable to attend the Company's annual general meeting held on 24 May 2024 ("2024 AGM") due to other prior commitment. Mr. Lee Wa Lun, Warren, an Executive Director and Managing Director, who was elected by Directors and acted as the 2024 AGM chairman, together with all other Board members (including the chairmen of audit, remuneration and nomination committees) who attended the 2024 AGM, were of sufficient calibre for answering questions from and communicating with the stakeholders at the 2024 AGM.

## **AUDIT COMMITTEE REVIEW**

The Board has established an audit committee in accordance with Rule 3.21 of the Listing Rules, and now comprises three Independent Non-Executive Directors, namely Mr. Chan Sze Chung (chairman of the audit committee), Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred and one Non-Executive Director, namely Mr. Kuo Jen-Hao.

The audit committee has reviewed the annual results for the Current Reporting Period.

## **SCOPE OF WORK OF BDO**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Current Reporting Period as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited ("BDO"), to the amounts set out in the Group's audited consolidated financial statements for the Current Reporting Period. The work performed by BDO 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 BDO on the preliminary announcement.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities nor sold or transferred treasury shares during the Current Reporting Period.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company will be published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**DA YU FINANCIAL HOLDINGS LIMITED**  
**Lee Wa Lun, Warren**  
*Managing Director*

Hong Kong, 27 March 2025

*As at the date of this announcement, the Non-Executive Director is Mr. Kuo Jen-Hao (Chairman), the Executive Directors are Mr. Lee Wa Lun, Warren (Managing Director), Mr. Xu Haohao, Mr. Lam Chi Shing and Ms. Li Ming, and the Independent Non-Executive Directors are Mr. Chan Sze Chung, Mr. Suen Chi Wai and Mr. Sum Wai Kei, Wilfred.*