



# 基石金融控股有限公司

## CORNERSTONE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8112

# 2024

Interim Report  
中期報告

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of Cornerstone Financial Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND FUTURE PROSPECTS

During the six months ended 30 June 2024 (the “Reporting Period”), Cornerstone Financial Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) were principally engaged in the businesses of financial services and advertising and media services. The advertising and media business remained the main contributor to the Group’s revenue while provision of financial services continued to generate regular revenue for the Group. During the Reporting Period, the Group recorded a consolidated revenue of approximately HK\$26 million and net loss of approximately HK\$25 million, as compared with the respective figures of approximately HK\$28 million and HK\$12 million for the corresponding period last year. Revenue from the advertising and media business amounted to approximately HK\$22 million for the Reporting Period (six months ended 30 June 2023: HK\$24 million), a decrease of approximately 9% over the corresponding period last year. Regardless of the lowering figure of revenue generated from the financial services business during the Reporting Period, it managed to maintain at a similar level as the corresponding period last year of approximately HK\$4 million.

It is observed that the outlook for the world economy at present has improved from the beginning of the year, with interest rate hike showing signs of easing, but is still facing various challenges including, among others, the impact of prolonged high interest rates and geopolitical tension. In the uncertain and fluctuating financial markets, investors tend to be more prudent in making investment decisions. During the Reporting Period, the performance of the Group’s financial services business continued to suffer from such circumstances, while its advertising and media business was gradually recovering but still not back to the pre-pandemic level. The Company will monitor the situation and assess its impact on the overall financial position and operating results of the Group. Going forward, the Group will strive to explore potential business opportunities, while maintaining its current operations in various businesses. The Group will look for new investment opportunities in different sectors with growth potential for business diversification and corporate sustainability. The management will also review and monitor the latest development of the external environment and the business portfolio of the Group, and adjust its business strategies from time to time if required. Details of the Group’s business review and prospects are as follows:

### Financial Services Business

The Group’s financial services activities are mainly conducted under the brand name of “Cornerstone” and consisted of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). During the Reporting Period, the total revenue of the financial services business amounted to approximately HK\$4 million. Margin financing business was the key income stream for the Group’s financial services business and margin loan financing of approximately HK\$91 million was granted to margin account clients as at 30 June 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Over the past few years, the financial services business undertaken by Cornerstone Securities Limited (“CSL”), a 91.19% indirectly owned subsidiary of the Company, has been providing regular revenue for the Group and the interest income from the margin financing business contributed approximately 94% of CSL’s revenue for the Reporting Period. Fundamentally, contribution from margin financing business is significant for a securities company. CSL believed that it is important to explore opportunities to expand among others, its margin financing business, as CSL has a potential client base of high-net-worth individuals in People’s Republic of China (the “PRC”). Accordingly, the financial services segment with focus on the margin financing business has always been part of the Company’s business development plan. However, the securities industry in Hong Kong remained challenging and the Hong Kong stock market still lagged behind other major stock markets during the Reporting Period. This exerted pressure on the operations of the Group’s financial services business. It is expected that performance of the Group’s financial services business will be affected by the pace of recovery of the local and global financial markets, especially the markets in Hong Kong and the PRC. It is believed that operating environment for this business segment will remain challenging. To reduce negative environmental impact and maintain sustainable business development, the CSL management will continue to equip themselves with updated market information with an aim of expanding the scope of services and customer base. Further, the Company will maintain more communication with existing clients and explore business opportunities with potential clients.

### Advertising and Media Business

The Group is a well-established digital out-of-home (“OOH”) media company in Hong Kong and Singapore, with an operating history since April 2004. It had pioneered the concept of creating a sizeable network of flat-panel displays in elevator lobbies of office and commercial buildings as well as the residential buildings to sell advertisement. The number of venues in which the Group deployed its flat-panel displays over the corresponding period of the previous year is shown as follows:

Region	Network	Six months ended 30 June 2024	Six months ended 30 June 2023
Hong Kong	Office, Commercial and Residential Network	1,111	1,105
Singapore	Office and Commercial Network	515	494
Total number of venues		1,626	1,599

As of 30 June 2024, the Group has deployed its branded flat-panel displays at 1,626 office, commercial and residential buildings in Hong Kong and Singapore under its digital OOH media network.

As previously reported, the Group partnered exclusively with Hivestack, the world’s leading independent programmatic digital out of home ad tech company, to bring the programmatic digital out of home (“pDOOH”) advertising buying experience in Hong Kong and Singapore to the next level. The Group anticipates pDOOH to be a key driver of growth in the coming years.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

In addition to the flat-panel displays, the Group's OOH large format media network in Hong Kong consists of seven sites of large LED panels. Under its OOH large format media network in Singapore, the Group continued to maintain its current ten strategically located sites. Combined with its well-established office, commercial and residential networks, the Group offers a well-rounded platform for advertisers to reach their audience at home, at work and at shopping, leisure & entertainment venues.

The Group will continue to pursue the expansion of its digital OOH media networks, adding progressively one venue at a time as well as pursue new static/LED OOH sites under its OOH large format media network.

The performance of the Group's advertising and media business is gradually picking up from its lowest level during the pandemic in both Hong Kong and Singapore.

### FINANCIAL REVIEW

	Six months ended 30 June		% Change
	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	
<b>Revenue</b>	<b>25,964,172</b>	28,270,554	-8%
<b>Gross profit</b>	<b>16,041,075</b>	18,870,604	-15%
<b>EBITDA</b> <sup>(Note)</sup>	<b>(19,043,903)</b>	(9,416,199)	N/A
<b>Net loss</b>	<b>(25,397,930)</b>	(11,751,122)	N/A

Note: EBITDA represents profit/(loss) before finance costs, income tax expense, depreciation of property, plant and equipment and right-of-use assets, fair value gain/(loss) on equity investments at fair value through profit or loss, and the profit/(loss) for the period attributable to non-controlling interests. While EBITDA is commonly used as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

The Group's revenue for the six months ended 30 June 2024 was approximately HK\$26.0 million (six months ended 30 June 2023: HK\$28.3 million), representing a decrease of approximately 8% over the corresponding period of previous year. The Group's revenue from the advertising and media business decreased by approximately 9% to HK\$21.8 million (six months ended 30 June 2023: HK\$24.0 million) as compared to the corresponding period of last year. As for the Group's financial services business, revenue generated during the Reporting Period was at similar level as the corresponding period last year of approximately HK\$4 million. Weak market sentiment has extended effect on the performance of both periods.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's gross profit for the six months ended 30 June 2024 was approximately HK\$16.0 million (six months ended 30 June 2023: HK\$18.9 million), representing a decrease of approximately 15% over the corresponding period of previous year. The Group's gross profit margin decreased approximately from 67% to 62% due to the drop of Group revenue by approximately HK\$2.3 million.

The Group's other gains and losses for the six months ended 30 June 2024 was loss of approximately HK\$0.1 million (six months ended 30 June 2023: gain of approximately HK\$5.2 million), representing a drop significantly of the fair value on the equity investments of approximately 102% over the corresponding period of previous year.

The Group's administrative expenses for the six months ended 30 June 2024 was approximately HK\$40.5 million (six months ended 30 June 2023: HK\$36.5 million), representing an increase by approximately 11% over the corresponding period of previous year. The increase in administrative expenses was mainly due to the increase of staff cost as well as professional service fee to cope with the business operation and the strategic plan of the Group.

The Group's negative EBITDA amounted to approximately HK\$19.0 million for the six months ended 30 June 2024 as compared to the Group's negative EBITDA amounted to approximately HK\$9.4 million for the corresponding period of previous year. The increase in the Group's negative EBITDA is due to the drop in Group revenue and the rise in administrative expenses during the interim period.

Loss per share for the six months ended 30 June 2024 was approximately HK cents 10.97 as compared to a loss per share of HK cents 5.06 for the corresponding period of previous year.

The Group recorded a loss attributable to owners of the Company of approximately HK\$25.2 million for the six months ended 30 June 2024 as compared to a loss attributable to owners of the Company of approximately HK\$11.6 million for the corresponding period of previous year.

### LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group financed its daily operations from internally generated resources. As at 30 June 2024, the Group had net current assets of approximately HK\$118 million (31 December 2023: HK\$141 million) and cash and cash equivalents of approximately HK\$68 million (31 December 2023: HK\$81 million).

### GEARING RATIO

The gearing ratio of the Group, calculated as total debt over total capital, was approximately 3.1% as at 30 June 2024 (31 December 2023: 2.3%).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FOREIGN EXCHANGE

For the six months ended 30 June 2024, the Group was exposed to foreign currency risk with respect to its operations in Singapore where most of the business transactions, assets and liabilities were denominated in Singapore dollars. The Group will monitor its foreign currency exposure closely. During the Reporting Period, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

### CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 28 July 2011. The capital of the Company comprises ordinary shares and capital reserves. As at 30 June 2024, the authorised share capital of the Company was HK\$500,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.01 each (the "Share(s)"), and the issued share capital was HK\$2,294,184 divided into 229,418,448 Shares as fully paid.

### DIVIDEND

The board of directors of the Company (the "Board") does not recommend the payment of any dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### INFORMATION ON EMPLOYEES

As at 30 June 2024, the Group had 55 employees (31 December 2023: 53 employees), including the executive directors. Total staff costs of the Group (including directors' emoluments) for the six months ended 30 June 2024 were approximately HK\$16 million (six months ended 30 June 2023: HK\$14 million). Remuneration is determined with reference to market norms and individual employee's performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits included contributions to Mandatory Provident Fund scheme in Hong Kong and Central Provident Fund in Singapore.

### SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and an associate, and as disclosed in Note 14 to the Consolidated Interim Financial Information, the Group did not hold any significant investment in any company as at 30 June 2024 (31 December 2023: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS**

Save as disclosed herein, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures, nor had other plans for material investments and capital assets during the Reporting Period.

### **CHARGES OF ASSETS**

As at 30 June 2024, the Group did not have any charges on its assets (31 December 2023: Nil).

### **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Three months ended 30 June		Six months ended 30 June	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
<b>REVENUE</b>	3	<b>13,569,295</b>	14,217,520	<b>25,964,172</b>	28,270,554
Cost of services		<b>(4,665,687)</b>	(4,964,742)	<b>(9,923,097)</b>	(9,399,950)
<b>GROSS PROFIT</b>		<b>8,903,608</b>	9,252,778	<b>16,041,075</b>	18,870,604
Other income		<b>125,475</b>	1,404,419	<b>288,067</b>	2,196,029
Other gains and losses		<b>16,040</b>	(18,183)	<b>(105,303)</b>	5,213,480
Administrative expenses		<b>(18,723,871)</b>	(17,810,152)	<b>(40,491,302)</b>	(36,491,945)
Finance costs	4	<b>(244,231)</b>	(405,548)	<b>(556,192)</b>	(871,537)
<b>LOSS BEFORE TAX</b>	5	<b>(9,922,979)</b>	(7,576,686)	<b>(24,823,655)</b>	(11,083,369)
Income tax expenses	6	<b>(414,893)</b>	(539,480)	<b>(574,275)</b>	(667,753)
<b>LOSS FOR THE PERIOD</b>		<b>(10,337,872)</b>	(8,116,166)	<b>(25,397,930)</b>	(11,751,122)
<b>OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD:</b>					
<i>Item that may be reclassified to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		<b>(20,800)</b>	(88,862)	<b>(105,749)</b>	(4,252)
<b>OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD, NET OF TAX</b>		<b>(20,800)</b>	(88,862)	<b>(105,749)</b>	(4,252)
<b>TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD</b>		<b>(10,358,672)</b>	(8,205,028)	<b>(25,503,679)</b>	(11,755,374)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Three months ended 30 June		Six months ended 30 June	
		2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	2023 HK\$ (Unaudited)
<b>(LOSS)/PROFIT FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		<b>(10,202,475)</b>	(8,119,849)	<b>(25,157,071)</b>	(11,619,710)
Non-controlling interests		<b>(135,397)</b>	3,683	<b>(240,859)</b>	(131,412)
		<b>(10,337,872)</b>	(8,116,166)	<b>(25,397,930)</b>	(11,751,122)
<b>TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		<b>(10,238,792)</b>	(8,224,220)	<b>(25,312,652)</b>	(11,627,815)
Non-controlling interests		<b>(119,880)</b>	19,192	<b>(191,027)</b>	(127,559)
		<b>(10,358,672)</b>	(8,205,028)	<b>(25,503,679)</b>	(11,755,374)
<b>LOSS PER SHARE</b>					
Basic and diluted (HK cents)	8	<b>(4.45)</b>	(3.54)	<b>(10.97)</b>	(5.06)

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	521,568	618,640
Right-of-use assets	10	5,226,723	8,326,040
Deposits	11	1,200,109	1,672,001
		<b>6,948,400</b>	10,616,681
<b>Current assets</b>			
Margin loan receivables	12	67,148,193	66,328,309
Trade and other receivables	11	16,943,230	21,179,823
Equity investments at fair value through profit or loss	14	11,549,372	18,254,675
Pledged bank deposits		358,020	367,343
Cash held on behalf of brokerage clients		4,583,864	10,481,165
Cash and cash equivalents		68,050,104	80,542,016
		<b>168,632,783</b>	197,153,331
<b>Current liabilities</b>			
Trade and other payables	13	35,589,073	30,316,254
Accounts payable to brokerage clients		4,583,864	10,481,165
Lease liabilities		7,694,600	11,772,537
Contract liabilities		1,652,288	3,180,008
Income tax payable		667,210	94,229
		<b>50,187,035</b>	55,844,193
<b>Net current assets</b>		<b>118,445,748</b>	141,309,138
<b>Total assets less current liabilities</b>		<b>125,394,148</b>	151,925,819

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2024

	Note	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
<b>Non-current liabilities</b>			
Lease liabilities		639,199	1,667,191
		<b>639,199</b>	1,667,191
<b>NET ASSETS</b>			
<b>124,754,949</b>			
<b>Capital and reserves</b>			
Share capital	15	2,294,184	2,294,184
Reserves		105,934,212	131,246,864
Shareholders' equity		108,228,396	133,541,048
Non-controlling interests		16,526,553	16,717,580
<b>TOTAL EQUITY</b>			
<b>124,754,949</b>			

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to owners of the Company						Non-controlling interests HK\$	Total equity HK\$
	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Exchange reserve HK\$	Accumulated losses HK\$	Sub-total HK\$		
At 31 December 2022 and 1 January 2023 (audited)	2,294,184	612,827,938	(176,467,450)	(1,279,537)	(255,351,310)	182,023,825	17,716,705	199,740,530
Loss for the period	-	-	-	-	(11,619,710)	(11,619,710)	(131,412)	(11,751,122)
Other comprehensive (expense)/income for the period								
Exchange difference arising on translating of foreign operations	-	-	-	(8,105)	-	(8,105)	3,853	(4,252)
<b>Total comprehensive expense for the period</b>	-	-	-	(8,105)	(11,619,710)	(11,627,815)	(127,559)	(11,755,374)
At 30 June 2023 (unaudited)	2,294,184	612,827,938	(176,467,450)	(1,287,642)	(266,971,020)	170,396,010	17,589,146	187,985,156
<b>At 31 December 2023 and 1 January 2024 (audited)</b>	<b>2,294,184</b>	<b>612,827,938</b>	<b>(176,467,450)</b>	<b>(1,124,343)</b>	<b>(303,989,281)</b>	<b>133,541,048</b>	<b>16,717,580</b>	<b>150,258,628</b>
Loss for the period	-	-	-	-	(25,157,071)	(25,157,071)	(240,859)	(25,397,930)
Other comprehensive (expense)/income for the period								
Exchange difference arising on translating of foreign operations	-	-	-	(155,581)	-	(155,581)	49,832	(105,749)
<b>Total comprehensive expense for the period</b>	-	-	-	(155,581)	(25,157,071)	(25,312,652)	(191,027)	(25,503,679)
At 30 June 2024 (unaudited)	2,294,184	612,827,938	(176,467,450)	(1,279,924)	(329,146,352)	108,228,396	16,526,553	124,754,949

The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Six months ended 30 June	
	2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net cash used in operating activities</b>	<b>(14,300,375)</b>	(13,497,778)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(145,870)	(86,764)
Proceeds from disposal of financial assets at fair value through profit or loss	6,600,000	–
Interest received	118,608	124,751
<b>Net cash generated from investing activities</b>	<b>6,572,738</b>	37,987
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(4,858,526)	(6,245,031)
Borrowing	200,000	–
<b>Net cash used in financing activities</b>	<b>(4,658,526)</b>	(6,245,031)
<b>Net decrease in cash and cash equivalents</b>	<b>(12,386,163)</b>	(19,704,822)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>80,542,016</b>	116,310,449
Effect of foreign exchange rate changes	(105,749)	(4,252)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>68,050,104</b>	96,601,375
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	68,408,124	96,960,638
Less: Pledged bank deposits	(358,020)	(359,263)
<b>Cash and cash equivalents as stated in the statement of cash flows</b>	<b>68,050,104</b>	96,601,375

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying notes.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. GENERAL INFORMATION

Cornerstone Financial Holdings Limited was incorporated in the Cayman Islands with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Room 802, 8th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) provision of financial services including securities dealings and brokerage services and margin financing services, (ii) provision of advertising and media services including film development, production and distribution and (iii) retail of skin care products (ceased business during the year ended 31 December 2019 and remains inactive subsequently).

The Company's shares are listed on GEM of the Stock Exchange.

The unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with the Hong Kong Accounting Standards ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on GEM on the Stock Exchange (the "GEM Listing Rules") and the Hong Kong Companies Ordinance.

The unaudited condensed consolidated interim financial information should be read in conjunction with the annual report of the Group for the year ended 31 December 2023.

The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2023, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning 1 January 2024.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

#### Changes in accounting policy and disclosures

The adoption of the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period do not have material impact on the results and the financial position of the Group.

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 Group has not early applied any new and amended HKFRSs and interpretations that have been issued but are not yet effective for the current accounting period.

### 3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue for the six months ended 30 June 2024 and 2023 is as follows:

	Six months ended 30 June 2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
Revenue from contracts with customers	<b>22,002,677</b>	24,113,209
Revenue from other sources	<b>3,961,495</b>	4,157,345
	<b>25,964,172</b>	28,270,554

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregated of revenue from contracts with customers by major goods or service lines, geographical location of customers and the timing of revenue recognition for the six months ended 30 June 2024 and 2023 is as follows:

for the six months ended 30 June	Advertising and media services		Financial services		Total	
	2024	2023	2024	2023	2024	2023
	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)	HK\$ (unaudited)
<b>Types of goods or services</b>						
Advertising and media services:						
– direct sales channel	12,160,058	11,589,918	–	–	12,160,058	11,589,918
– agency sales channel	9,603,330	12,434,203	–	–	9,603,330	12,434,203
Commission and fee income on securities dealing and broking	–	–	239,289	89,088	239,289	89,088
Total revenue from contracts with customers	21,763,388	24,024,121	239,289	89,088	22,002,677	24,113,209
<b>Geographical markets</b>						
Hong Kong	11,335,449	12,887,745	239,289	89,088	11,574,738	12,976,833
Singapore	10,427,939	11,136,376	–	–	10,427,939	11,136,376
Total revenue from contracts with customers	21,763,388	24,024,121	239,289	89,088	22,002,677	24,113,209
<b>Timing of revenue recognition</b>						
At a point of time	–	–	239,289	89,088	239,289	89,088
Over time	21,763,388	24,024,121	–	–	21,763,388	24,024,121
Total revenue from contracts with customers	21,763,388	24,024,121	239,289	89,088	22,002,677	24,113,209

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

The chief operating decision-maker (“CODM”) has been identified collectively as the executive directors of the Company. The executive directors review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Management regularly reviews the operating results from a perspective of different activities and assesses the performance of each operating segment. During the period ended 30 June 2024 and 2023, the Group had the following operating segments:

- Advertising and media services
- Financial services, mainly including securities dealings and brokerage business and margin financing business
- Retail of skin care products (ceased business during the year ended 31 December 2019 and remains inactive subsequently)

The segment results are measured at Group’s loss before tax except that other income, other gains and losses as well as head office and corporate expenses.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### Segment revenue and results

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2024 and as at 30 June 2024 is as follows:

	Advertising and media services HK\$ (Unaudited)	Financial services HK\$ (Unaudited)	Retail of skin care products HK\$ (Unaudited)	Unallocated HK\$ (Unaudited)	Total HK\$ (Unaudited)
<b>for the six months ended 30 June 2024</b>					
<b>Segment revenue</b>	<b>21,763,388</b>	<b>4,200,784</b>	<b>–</b>	<b>–</b>	<b>25,964,172</b>
<b>Segment results</b>	<b>(3,839,435)</b>	<b>(2,033,542)</b>	<b>(15,126)</b>	<b>–</b>	<b>(5,888,103)</b>
Corporate and unallocated income					288,067
Corporate and unallocated expenses					(19,223,619)
<b>Loss before tax</b>					<b>(24,823,655)</b>
<b>Other segment information:</b>					
Depreciation of property, plant and equipment	(230,480)	(7,489)	–	–	(237,969)
Depreciation of right-of-use assets	(2,669,697)	(511,025)	–	(1,458,709)	(4,639,431)
Fair value loss on equity investments at fair value through profit or loss	–	–	–	(105,303)	(105,303)
Capital expenditure	(145,870)	–	–	–	(145,870)
<b>as at 30 June 2024</b>					
<b>Segment assets</b>	<b>22,333,281</b>	<b>131,854,976</b>	<b>31,860</b>	<b>–</b>	<b>154,220,117</b>
Corporate and other unallocated assets					21,361,066
Total consolidated assets					175,581,183
<b>Segment liabilities</b>	<b>(28,601,545)</b>	<b>(6,291,682)</b>	<b>(108)</b>	<b>–</b>	<b>(34,893,335)</b>
Corporate and other unallocated liabilities					(15,932,899)
Total consolidated liabilities					(50,826,234)

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2023 and as at 31 December 2023 is as follows:

	Advertising and media services HK\$ (Unaudited)	Financial services HK\$ (Unaudited)	Retail of skin care products HK\$ (Unaudited)	Unallocated HK\$ (Unaudited)	Total HK\$ (Unaudited)
for the six months ended 30 June 2023					
Segment revenue	24,024,121	4,246,433	–	–	28,270,554
Segment results	(194,140)	(811,195)	(13,714)	–	(1,019,049)
Corporate and unallocated income					7,409,509
Corporate and unallocated expenses					(17,473,829)
Loss before tax					(11,083,369)
Other segment information:					
Depreciation of property, plant and equipment	(361,178)	(12,505)	–	–	(373,683)
Depreciation of right-of-use assets	(3,625,328)	(444,663)	–	(1,434,027)	(5,504,018)
Fair value gain on equity investment at fair value through profit or loss	–	–	–	5,213,480	5,213,480
Capital expenditure	(86,764)	–	–	–	(86,764)
as at 31 December 2023	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment assets	30,263,522	147,707,757	11,072	–	177,982,351
Corporate and other unallocated assets					29,787,661
Total consolidated assets					207,770,012
Segment liabilities	(32,557,224)	(12,445,516)	(111)	–	(45,002,851)
Corporate and other unallocated liabilities					(12,508,533)
Total consolidated liabilities					(57,511,384)

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of segment results to loss before tax is provided as follows:

	Six months ended 30 June	
	2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
Segment results	<b>(5,888,103)</b>	(1,019,049)
Other income	<b>288,067</b>	2,196,029
Other gains and losses	<b>(105,303)</b>	5,213,480
Unallocated head office and corporate expenses	<b>(19,118,316)</b>	(17,473,829)
Loss before tax	<b>(24,823,655)</b>	(11,083,369)

#### Geographical Information

##### (a) Revenue from external customers

	Six months ended 30 June					
	2024			2023		
	Segment revenue HK\$ (unaudited)	Intersegment sales HK\$ (unaudited)	Revenue from external customers HK\$ (unaudited)	Segment revenue HK\$ (unaudited)	Intersegment sales HK\$ (unaudited)	Revenue from external customers HK\$ (unaudited)
Hong Kong	<b>15,536,233</b>	–	<b>15,536,233</b>	17,134,178	–	17,134,178
Singapore	<b>16,889,420</b>	<b>(6,461,481)</b>	<b>10,427,939</b>	17,989,034	(6,852,658)	11,136,376
	<b>32,425,653</b>	<b>(6,461,481)</b>	<b>25,964,172</b>	35,123,212	(6,852,658)	28,270,554

The revenue information above is based on the location of the customers.

##### (b) Non-current assets

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
Hong Kong	<b>4,011,451</b>	4,789,268
Singapore	<b>1,736,840</b>	4,155,412
	<b>5,748,291</b>	8,944,680

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 4. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
Interest on lease liabilities	556,181	871,537
Bank interest	11	–
	<b>556,192</b>	<b>871,537</b>

### 5. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
Cost of services <sup>(Note)</sup>	9,923,097	9,399,950
Depreciation of right-of-use assets <sup>(Note)</sup>	3,440,405	3,044,313
Depreciation of property, plant and equipment	237,969	373,683
Employee benefit expenses (excluding directors' remuneration):		
– Salaries, wages and allowance	12,746,627	11,166,952
– Pension scheme contribution	789,311	746,222
Legal and professional fee	12,632,148	11,627,999
Government Grants	(89,341)	(63,767)
Fair value loss/(gain) on equity investments at fair value through profit or loss	105,303	(5,213,480)

Note: During the period ended 30 June 2024, depreciation of right-of-use assets in total of HK\$4,639,431 (six months ended 30 June 2023: HK\$5,504,018) is recognised in cost of services and administrative expenses accordingly. Out of which, HK\$1,199,026 (six months ended 30 June 2023: HK\$2,459,705) and HK\$3,440,405 (six months ended 30 June 2023: HK\$3,044,313) are included in cost of services and administrative expenses respectively.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 6. INCOME TAX EXPENSES

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective rate of 16.5% (2023: 16.5%) to the six months ended 30 June 2024, except for one subsidiary of the Group which is qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

	Six months ended 30 June	
	2024	2023
	HK\$	HK\$
	(unaudited)	(unaudited)
Current tax - Hong Kong Profits Tax	574,275	667,753

### 7. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### 8. LOSS PER SHARE

#### (a) Basic

The calculation of basic losses per share is based on the loss attributable to owners of the Company of HK\$25,157,071 (six months ended 30 June 2023: loss of HK\$11,619,710) and the weighted average of 229,418,448 ordinary shares in issue during both interim periods.

#### (b) Diluted

No diluted loss per share has been presented as there was no dilutive ordinary shares outstanding during the six months ended 30 June 2024 and 2023.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group incurred expenditures on additions to property, plant and equipment with total cost of HK\$145,870 (six months ended 30 June 2023: HK\$86,764). No items of property, plant and equipment is disposal of during both interim periods.

### 10. RIGHT-OF-USE ASSETS

A new and an expired contract for land and buildings are recognised as additions to right-of-use assets of HK\$1,596,857 during the six months ended 30 June 2024 (six month ended 30 June 2023: Nil). No disposal of right-of-use assets is recognised during both interim periods.

### 11. TRADE AND OTHER RECEIVABLES

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
Trade receivables	<b>8,614,748</b>	12,575,071
Less: Allowance for credit losses	<b>(2,081,018)</b>	(2,107,512)
Trade receivables — net	<b>6,533,730</b>	10,467,559
Deposits, prepayments, other receivables and other assets	<b>11,609,609</b>	12,384,265
<b>Total</b>	<b>18,143,339</b>	22,851,824
Less: Non-current portion:		
Rental deposit	<b>(495,109)</b>	(967,001)
Deposit with Hong Kong Exchanges and Clearing Limited	<b>(705,000)</b>	(705,000)
Non-current portion	<b>(1,200,109)</b>	(1,672,001)
Current portion	<b>16,943,230</b>	21,179,823

The carrying amount of trade and other receivables approximate their fair values.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 11. TRADE AND OTHER RECEIVABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date and net of allowance for credit loss is as follows:

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
Within 30 days	3,948,106	6,493,393
31–60 days	1,268,959	2,430,377
Over 60 days	1,316,665	1,543,789
	<b>6,533,730</b>	10,467,559

The movement in the allowance for credit loss of trade receivables is as follows:

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
At beginning of period/year	2,107,512	1,323,984
Impairment loss recognised	–	766,739
Exchange realignment	<b>(26,494)</b>	16,789
At end of period/year	<b>2,081,018</b>	2,107,512

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest bearing.

### 12. MARGIN LOAN RECEIVABLES

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group, where the Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call with the margin clients having to make good the shortfall. In granting credit facility, other factors such as financial strength, creditworthiness and the past collection statistics are also considered. The Group's credit review department are responsible to monitor credit risk and seek to maintain a strict control over the outstanding loan balance.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 12. MARGIN LOAN RECEIVABLES (Continued)

The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. As at 30 June 2024, the margin loan receivables is amounted to HK\$90,674,075 (31 December 2023: HK\$89,854,189) and is secured by securities pledged by the customers to the Group as collateral.

No ageing analysis is disclosed as, in the opinion of the directors of the Company, an ageing analysis is not meaningful in view of the nature of the business of securities margin financing.

### 13. TRADE AND OTHER PAYABLES

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
Trade payables	–	927,500
Accruals	<b>17,317,939</b>	18,787,322
Licence fee payable	<b>37,746</b>	37,746
Other payables	<b>15,480,644</b>	8,947,686
Loan and interest payable to directors	<b>1,816,000</b>	1,616,000
Deferred revenue	<b>936,744</b>	–
	<b>35,589,073</b>	30,316,254

The carrying amount of trade and other payables approximate their fair values.

Trade payables are non-interest bearing and normally settled from 60 to 90 days. As of the end of the reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
Within 30 days	–	927,500

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 14 EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
<b>Financial assets mandatorily measured at fair value through profit or loss</b>		
– Unlisted equity securities (Note a)	–	6,600,000
– Listed on the London Stock Exchange (Note b)	<b>11,549,372</b>	11,654,675
	<b>11,549,372</b>	18,254,675

Note:

(a) Unlisted equity securities

The Group's unlisted equity securities represent 5% equity interest in a private company incorporated in BVI which holds a BioPharma project in the PRC (the "Unlisted Equity Securities Investment"). The Unlisted Equity Securities Investment was acquired at a total consideration of HK\$6,500,000 on 14 July 2022.

The Group entered into an agreement (the "Disposal Agreement") with an independent third party on 10 January 2024 and pursuant to which, the Group agreed to sell and the independent third party agreed to purchase all the Unlisted Equity Securities Investment held by the Group at a total consideration of HK\$6,600,000 (the "Disposal"). The Disposal was completed on 31 January 2024. Details of the Disposal are set out in the Company's announcement dated on 10 January 2024.

As at 31 December 2023, the fair value of the Group's unlisted equity securities is based on consideration as stated in the Disposal Agreement. The fair value gain of HK\$100,000 on the unlisted equity securities is recognised during the year ended 31 December 2023. The fair value of the unlisted equity securities as at 31 December 2023 has been arrived based on a valuation carried out by an independent professional valuer not connected to the Group who has appropriate qualification and recent experience in the valuation of such equity securities.

(b) Equity securities listed on the London Stock Exchange

The Group's investment of equity securities listed on the London Stock Exchange represents 16,500,000 ordinary shares of a London listed company which is principally engaging in technology innovations investments. The fair value of the Group's investment of equity securities listed on the London Stock Exchange is based on the bid-price quoted on the London Stock Exchange.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 15 SHARE CAPITAL

The movement in authorised and issued share capital of the Company during the reporting period is as follows:

	30 June 2024 HK\$ (unaudited)	31 December 2023 HK\$ (audited)
<b>Authorised:</b> 50,000,000,000 ordinary shares of HK\$0.01 each	<b>500,000,000</b>	500,000,000
<b>Issued and fully paid:</b> 229,418,448 ordinary shares of HK\$0.01 each	<b>2,294,184</b>	2,294,184

### 16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed the fair values of the Group's financial assets and financial liabilities are 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 value of listed equity investments is based on the bid-price quoted in an active market and the fair value of the unlisted equity investments has been arrived based on discounted cash flow model carried by an independent professional valuer.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			Total HK\$
	Quoted prices in active markets (Level 1) HK\$	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	
<b>As at 30 June 2024 (unaudited)</b>				
Equity investments at fair value through profit or loss	11,549,372	–	–	11,549,372
As at 31 December 2023 (audited)				
Equity investments at fair value through profit or loss	11,654,675	–	6,600,000	18,254,675

The Group did not have any significant financial liabilities measured at fair value as at 30 June 2024 (31 December 2023: Nil).

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

### 17. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

### 18. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the unaudited condensed consolidated interim financial information, the Group has the following material transactions with related parties during the period ended 30 June 2024:

- (a) The Group has outstanding principal amount of HK\$1,816,000 as at 30 June 2024 (31 December 2023: HK\$1,616,000) due to An Xilei and Sun Lihua, directors of the Company. The loans are unsecured, interest-free and repayable within one year.
- (b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2024 HK\$ (unaudited)	2023 HK\$ (unaudited)
Salaries, wages and allowance	2,317,919	2,043,000
Pension scheme contribution	27,000	18,000
	<b>2,344,919</b>	2,061,000

### 19. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after 30 June 2024 and up to the date of this report.

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

The unaudited condensed consolidated interim financial information was approved by the Board on 9 August 2024.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, the interests of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

#### Long positions in the ordinary shares of HK\$0.01 each in the Company (the "Shares"), underlying Shares and debentures of the Company

Name of Directors	Nature of interests	Number of Shares held	Number of underlying Shares held	Total	Approximate % of shareholding in the Company (Note)
An Xilei	Beneficial owner	6,800,000	–	6,800,000	2.96%

Note: For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024 and up to the date of this report, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

### SHARE OPTION SCHEME

Since the expiration of the then share option schemes of the Company in March 2021, the Company has not adopted any new share option scheme. Further, all outstanding and unexercised options granted under the expired share option schemes lapsed and were cancelled in 2021 in accordance with the terms and conditions of the respective schemes. Accordingly, the Company had neither any share option scheme nor any outstanding share options as at 30 June 2024 and up to date of this report.

At no time during the Reporting Period was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

## OTHER INFORMATION (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 30 June 2024 and up to the date of this report, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other persons or companies (other than a Director or a chief executive of the Company) had interests of 5% or more in the shares or underlying shares and/or short positions in the shares or underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

#### Long Positions in the Shares

Name of Shareholders	Nature of interests	Number of Shares held	Approximate % of shareholding in the Company (Note 2)
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP (Note 1)	Beneficial owner	49,032,000	21.37%
Masan Capital Limited (Note 1)	Investment Manager	49,032,000	21.37%
Top Lion International Limited (Note 1)	Interest of controlled corporation	49,032,000	21.37%

Notes:

1. These Shares are directly held by Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP which is wholly owned by Masan Capital Limited which is in turn wholly owned by Top Lion International Limited. Subsequent to the Reporting Period and up to the date of this report, the above parties are interested in 52,896,000 Shares, representing approximately 23.06% of the issued share capital of the Company.
2. For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 30 June 2024.

Save as disclosed above, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.



### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2024, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities.

### **COMPETITION AND CONFLICT OF INTERESTS**

During the six months ended 30 June 2024, none of the Directors or the substantial shareholders (if applicable) of the Company or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

### **CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors, having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the six months ended 30 June 2024.

### **CORPORATE GOVERNANCE PRACTICES**

During the six months ended 30 June 2024, the Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the GEM Listing Rules, except as stated otherwise below.

## OTHER INFORMATION (CONTINUED)

Pursuant to Code Provision D.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the Reporting Period, instead of monthly updates, the management has provided to the Board quarterly updates containing consolidated financial statements with summaries of key events and outlook of the Group for the pertaining period for review and discussion in the regular Board meetings concerned. In addition, the management will provide to the Board with updates in a timely manner if there are material events affecting the performance, position and prospects of the Company. Accordingly, it is considered that the purpose of providing regular updates on the Company's performance, position and prospects can be achieved.

Pursuant to Code Provision D.2.5 of the CG Code, the Group should have an internal audit function. There is currently no internal audit function within the Group. However, the Group will engage independent external consulting firm to review the effectiveness of the risk management and internal control systems of the Group on an annual basis. Taking into account of its size, nature and complexity of its business operations, the Group considers that the current organisation structure and management could provide adequate risk management and internal control of the Group.

### AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements of the GEM Listing Rules from time to time. The Audit Committee was delegated the authority and responsibility to review the Company's risk management and internal control systems and to make recommendations to the Board in such regard, in addition to its primary duties to make recommendations to the Board on the appointment and removal of external auditors; to review the financial statements and to provide material advice in respect of financial reporting. The Audit Committee currently comprises all three independent non-executive Directors.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee together with the management of the Company, which is of the opinion that the interim financial information comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board  
**Cornerstone Financial Holdings Limited**  
**An Xilei**  
*Chairman and Executive Director*

Hong Kong, 9 August 2024

*As at the date of this report, the Board comprises Mr. An Xilei (Chairman), Mr. Wong Hong Gay Patrick Jonathan, Mr. Mock Wai Yin, Mr. Liu Shihao and Mr. Sun Lihua as executive Directors; and Mr. Chan Chi Keung Alan, Ms. Lau Mei Ying and Mr. Wong Man Hong as independent non-executive Directors.*



基石金融控股有限公司  
CORNERSTONE FINANCIAL HOLDINGS LIMITED