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SUNWAH KINGSWAY
新華滙富

SUNWAH KINGSWAY CAPITAL HOLDINGS LIMITED

新華滙富金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00188)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2024**

The Board of Directors of Sunwah Kingsway Capital Holdings Limited (the “Company”) hereby submit the consolidated financial results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue			
Commission and fee income		20,702	15,328
Interest income arising from financial assets at amortised cost		19,094	16,831
Interest income arising from debt securities at fair value through profit or loss		1,595	1,133
Dividend income		6,453	4,177
Rental income		3,194	3,273
		<hr/>	<hr/>
	3	51,038	40,742
Net loss on financial assets and liabilities at fair value through profit or loss	4	(28,838)	(28,022)
Other income and gain or losses	5	(714)	(265)
		<hr/>	<hr/>
		21,486	12,455
Commission expenses		(1,239)	(2,107)
General and administrative expenses		(65,390)	(72,438)
Finance costs		(6,874)	(5,520)
Net impairment losses on financial instruments		(7,917)	(10,126)
Fair value changes on investment properties		(7,568)	(2,886)
Changes on non-controlling interests in consolidated investment funds		5,472	1,056
Gain on disposal of subsidiaries	5	4,030	–
Gain on disposal of an associate	5	–	4,630
Share of loss of a joint venture	5	(7)	(8)
Share of profits/(losses) of associates	5	1,598	(4,237)
		<hr/>	<hr/>
Loss before tax	6	(56,409)	(79,181)
Income tax (expenses)/credit	7	(431)	241
		<hr/>	<hr/>
Loss for the year		(56,840)	(78,940)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the Company		(56,654)	(78,497)
Non-controlling interests		(186)	(443)
		<hr/>	<hr/>
Loss for the year		(56,840)	(78,940)
		<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share	9	(7.64) HK cents	(10.69) HK cents
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(56,840)</u>	<u>(78,940)</u>
Other comprehensive expense:		
<i>Item that will not be reclassified to profit or loss:</i>		
Land and buildings held for own use		
– Deficit on revaluation	(31,542)	(11,934)
– Income tax effect	<u>6,719</u>	<u>3,539</u>
	<u>(24,823)</u>	<u>(8,395)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(554)	(6,484)
Reclassification adjustment for foreign operations disposed of/ deregistered during the year	<u>667</u>	<u>(170)</u>
	<u>113</u>	<u>(6,654)</u>
Other comprehensive expense for the year	<u>(24,710)</u>	<u>(15,049)</u>
Total comprehensive expense for the year	<u>(81,550)</u>	<u>(93,989)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(81,364)	(93,505)
Non-controlling interests	<u>(186)</u>	<u>(484)</u>
Total comprehensive expense for the year	<u>(81,550)</u>	<u>(93,989)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Investment properties		68,599	76,167
Properties and equipment		281,777	322,418
Intangible assets		2,190	2,190
Goodwill		–	–
Interest in a joint venture		23,801	23,808
Interests in associates		20,109	18,868
Loans to and amounts due from associates		13,798	13,787
Other assets		4,413	4,467
Financial assets at fair value through profit or loss		42,978	51,102
Deferred tax assets		–	495
		<u>457,665</u>	<u>513,302</u>
Current assets			
Financial assets at fair value through profit or loss		213,096	216,271
Accounts, loans and other receivables	10	118,062	158,673
Bank balances and cash – trust accounts		313,325	385,976
Cash and cash equivalents		108,818	159,782
		<u>753,301</u>	<u>920,702</u>
Assets of a disposal group classified as held for sale		–	3,927
		<u>753,301</u>	<u>924,629</u>
Current liabilities			
Financial liabilities at fair value through profit or loss		8,302	7,225
Net assets attributable to holders of non-controlling interests in consolidated investment funds		55,990	65,416
Accruals, accounts and other payables	11	344,924	451,333
Lease liabilities		130	128
Contract liabilities		19	3,000
Bank loans and overdrafts		73,295	75,672
Current tax liabilities		1,386	1,433
		<u>484,046</u>	<u>604,207</u>
Liabilities of a disposal group classified as held for sale		–	4,502
		<u>484,046</u>	<u>608,709</u>
Net current assets		<u>269,255</u>	<u>315,920</u>
Total assets less current liabilities		<u>726,920</u>	<u>829,222</u>
Non-current liabilities			
Deferred tax liabilities		17,118	23,895
Lease liabilities		245	375
		<u>17,363</u>	<u>24,270</u>
NET ASSETS		<u>709,557</u>	<u>804,952</u>
CAPITAL AND RESERVES			
Share capital	12	74,452	73,957
Reserves		635,105	730,652
Equity attributable to owners of the Company		<u>709,557</u>	<u>804,609</u>
Non-controlling interests		–	343
TOTAL EQUITY		<u>709,557</u>	<u>804,952</u>

NOTES:

1 APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)

In the current year, the Group has applied the following amendments to HKFRSSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time which are relevant to the Group:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 3 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group’s financial statements.

Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group’s approach and policy align with the amendments, the amendments had no impact on the Group’s financial statements.

Amendments to HKAS 12 narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 July 2022. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 July 2023, if any. The amendments did not have any significant impact on the Group’s financial statements.

Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities’ exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

New and Revised HKFRSs in Issue But Not Yet Effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective, which may be relevant to the Group:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current (the “2020 Amendments”) ^{1,4}
Amendments to HKAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”) ^{1,4}
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ¹
Amendments to HKAS 21	Lack of Exchangeability ²

¹ Effective for annual periods beginning on or after 1 January 2024

² Effective for annual periods beginning on or after 1 January 2025

³ No mandatory effective date yet determined but available for adoption

⁴ As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

Further information about those HKFRSs that are expected to be applicable to the Group is described below:

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group’s financial statements.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2 MATERIAL ACCOUNTING POLICIES

The consolidated financial statements has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3 REVENUE

The principal activities of the Group are investment in securities, securities broking and margin financing, provision of financial advisory services, money lending, other securities related financial services and leasing of investment properties.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
<i>Commission and fee income</i>		
– securities, options, funds and futures brokerage	6,308	6,851
– underwriting and placements in equity capital markets	603	868
– corporate finance	10,350	4,626
– asset management	78	86
– miscellaneous fee income	3,363	2,897
	<u>20,702</u>	<u>15,328</u>
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Revenue from other sources		
<i>Interest income arising from financial assets at amortised cost</i>		
– bank deposits	14,971	11,516
– margin and cash clients	431	408
– loans	2,947	4,120
– others	745	787
	<u>19,094</u>	<u>16,831</u>
	-----	-----
<i>Interest income arising from debt securities at fair value through profit or loss</i>	1,595	1,133
<i>Dividend income</i>	6,453	4,177
<i>Rental income</i>	3,194	3,273
	<u>30,336</u>	<u>25,414</u>
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	<u>51,038</u>	<u>40,742</u>
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BROKING SERVICES

The Group provides broking services to customers on securities, options, funds and futures trading. Commission income from broking services is determined at a certain percentage of the transaction value of the trades executed and is recognised as income on the date the trades are executed. Normal settlement terms are one or two days after trade date, unless specifically agreed with counterparties.

CAPITAL MARKET SERVICES

The Group provides underwriting and placing services to customers, the revenue is recognised at a point in time. The service fee is charged when the relevant underwriting, sub-underwriting or financial products arrangement activities are completed.

CORPORATE FINANCE SERVICES

The Group provides sponsor, financial and compliance advisory services to customers. During the year, the revenue for sponsor and financial advisory services are recognised over time or at a point in time, while for compliance advisory services is recognised over time.

For sponsor services, the Group considers that all the services promised in a particular contract of being a sponsor are interdependent and interrelated and should be therefore accounted for as a single performance obligation. For the contracts that provide the Group an enforceable right to payment for performance completed to date, the sponsor fees are recognised over time by measuring the progress using the output method and estimating the percentage of completion by key tasks performed to date. For other sponsor contracts, as it is unlikely that a customer can obtain benefit before the Group completes all its services up to listing or the completion of the underlying transaction and since the contracts do not provide the Group an enforceable right to payment for performance completed up to date, the sponsor fees are recognised at a point in time upon listing or when the underlying transactions are completed. Payments are received by installments in accordance to the completion of milestones as specified in the mandate.

For certain advisory services, as the Group provides services and the customers simultaneously receives and consumes the benefit provided by the Group, the fee is recognised over time. For other advisory services of which the performance obligations are fulfilled when all the relevant duties of the Group as stated in the contract are completed, the fee is recognised at a point in time.

ASSET MANAGEMENT SERVICES

Asset management services to customers are recognised over time as the Group provides asset management services and the customers simultaneously receives and consumes the benefit provided by the Group. The asset management income is charged at a fixed percentage per annum of the asset value of the accounts under management of the Group.

MISCELLANEOUS FEE INCOME

The Group provides services in securities, futures and options trading and customer's account handling. Miscellaneous fee including handling and other services fee income, which are recognised when the transaction are executed and services are completed.

TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATION FOR CONTRACTS WITH CUSTOMERS

The Group applied the practical expedient for contracts either with original expected duration less than one year and did not disclose the aggregate amount of transaction price allocated to performance obligations of the broking, capital market, corporate finance and asset management services that are unsatisfied (or partly unsatisfied). The performance fee arising from asset management services which are constrained as at 30 June 2024 has been excluded from the transaction price and hence not disclosed. For the year ended 30 June 2024, there was no revenue recognised (2023: Nil) from performance obligations satisfied (or partially satisfied) in previous periods.

DISAGGREGATION OF REVENUE

The following illustrates the disaggregated revenue information of the Group's revenue from contracts with customers:

For the year ended 30 June 2024

Segments	Brokerage and financing <i>HK\$'000</i>	Corporate finance and capital markets <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services					
Brokerage service	6,308	-	-	-	6,308
Capital market service	-	603	-	-	603
Corporate finance service	-	10,350	-	-	10,350
Asset management service	-	-	78	-	78
Other services	2,719	-	26	618	3,363
Total revenue from contracts with customers	<u>9,027</u>	<u>10,953</u>	<u>104</u>	<u>618</u>	<u>20,702</u>
Geographical markets					
Hong Kong	8,641	10,953	104	618	20,316
Other countries	386	-	-	-	386
Total revenue from contracts with customers	<u>9,027</u>	<u>10,953</u>	<u>104</u>	<u>618</u>	<u>20,702</u>
Timing of revenue recognition					
Services transferred at a point in time	9,027	9,047	26	-	18,100
Services transferred over time	-	1,906	78	618	2,602
Total revenue from contracts with customers	<u>9,027</u>	<u>10,953</u>	<u>104</u>	<u>618</u>	<u>20,702</u>

For the year ended 30 June 2023

Segments	Brokerage and financing <i>HK\$'000</i>	Corporate finance and capital markets <i>HK\$'000</i>	Asset management <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Type of services					
Brokerage service	6,851	-	-	-	6,851
Capital market service	-	868	-	-	868
Corporate finance service	-	4,626	-	-	4,626
Asset management service	-	-	86	-	86
Other services	2,131	-	-	766	2,897
Total revenue from contracts with customers	<u>8,982</u>	<u>5,494</u>	<u>86</u>	<u>766</u>	<u>15,328</u>
Geographical markets					
Hong Kong	8,340	5,494	86	766	14,686
Other countries	642	-	-	-	642
Total revenue from contracts with customers	<u>8,982</u>	<u>5,494</u>	<u>86</u>	<u>766</u>	<u>15,328</u>
Timing of revenue recognition					
Services transferred at a point in time	8,982	1,807	-	-	10,789
Services transferred over time	-	3,687	86	766	4,539
Total revenue from contracts with customers	<u>8,982</u>	<u>5,494</u>	<u>86</u>	<u>766</u>	<u>15,328</u>

4 NET LOSS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Listed equity securities	(20,211)	(27,608)
Listed debt securities	(1,087)	(835)
Listed derivatives	(15)	1,565
Bond funds	165	(473)
Unlisted investment funds	60	(3,293)
Overseas unlisted equity securities	(7,750)	2,622
	<u>(28,838)</u>	<u>(28,022)</u>

5 SEGMENT REPORTING

Information reported to senior management of the Company for the purposes of resource allocation and assessment of segment performance, focuses on the types of services provided. Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Proprietary investment	:	Investment in securities for treasury and liquidity management, and structured deals including listed and unlisted equities, debt securities, bond funds and investment funds
Property investment	:	Investment in properties for receiving rental income and capital appreciation
Brokerage and financing	:	Provision of securities, options, funds and futures brokerage services, margin and other financing, factoring and other related services
Corporate finance and capital markets	:	Provision of financial advisory services to corporate clients in connection with the Listing Rules and acting as underwriting and placing agent in the equity capital market
Asset management	:	Provision of asset management and related advisory services to private equity funds and private clients
Others	:	Provision of management, administrative and corporate secretarial services, inter-group loan financing and inter-group office service

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that share of profits/(losses) of associates and a joint venture and changes on non-controlling interests in consolidated investment funds are excluded from such measurement, and the segment assets are measured consistently with the Group's total assets except that inter-company balances are excluded from such measurement. Inter-segment revenues are charged among segments at an agreed rate with reference to the rate normally charged to third party customers, the nature of services or the costs incurred. Segment liabilities are not presented as they are not regularly reviewed by senior management.

	2024						
	Proprietary investment HK\$'000	Property investment HK\$'000	Brokerage and financing HK\$'000	Corporate finance and capital markets HK\$'000	Asset management HK\$'000	Others HK\$'000	Consolidated HK\$'000
Segmental income statement							
Commission and fee income	-	-	9,027	10,953	104	618	20,702
Interest income arising from financial assets at amortised cost	333	234	18,093	19	7	408	19,094
Interest income arising from debt securities at fair value through profit or loss	1,595	-	-	-	-	-	1,595
Other income	6,453	3,194	-	-	-	-	9,647
Inter-segment revenue	563	-	1,837	-	2,614	14,826	19,840
Segment revenue	8,944	3,428	28,957	10,972	2,725	15,852	70,878
Net loss on financial assets and liabilities at fair value through profit or loss	(28,827)	-	(11)	-	-	-	(28,838)
Other income and gain or losses	(60)	(624)	(20)	116	1	(127)	(714)
Eliminations	(563)	-	(1,837)	-	(2,614)	(14,826)	(19,840)
	<u>(20,506)</u>	<u>2,804</u>	<u>27,089</u>	<u>11,088</u>	<u>112</u>	<u>899</u>	<u>21,486</u>
Segment results	<u>(42,473)</u>	<u>(7,501)</u>	<u>(4,057)</u>	<u>(1,896)</u>	<u>(2,112)</u>	<u>(9,463)</u>	<u>(67,502)</u>
Gain on disposal of subsidiaries	-	-	-	-	4,030	-	4,030
Share of loss of a joint venture	-	(7)	-	-	-	-	(7)
Share of profit/(loss) of associates	-	2,235	(637)	-	-	-	1,598
Changes on non-controlling interests in consolidated investment funds	5,472	-	-	-	-	-	5,472
Loss before tax							<u>(56,409)</u>
Segment assets							
Segment assets	315,016	110,070	508,608	5,508	1,053	285,922	1,226,177
Eliminations							(15,211)
Total assets							<u>1,210,966</u>
Other segmental information							
Depreciation	<u>1</u>	<u>-</u>	<u>21</u>	<u>6</u>	<u>-</u>	<u>9,531</u>	<u>9,559</u>
Addition to non-current assets*	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>441</u>	<u>460</u>
Net impairment losses on financial instruments	<u>4,427</u>	<u>-</u>	<u>3,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,917</u>
Commission expenses	<u>405</u>	<u>-</u>	<u>834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,239</u>
Finance costs	<u>377</u>	<u>-</u>	<u>2,901</u>	<u>-</u>	<u>10</u>	<u>3,586</u>	<u>6,874</u>

* Addition to non-current assets consists of additions to property and equipment.

2023

	Proprietary investment HK\$'000	Property investment HK\$'000	Brokerage and financing HK\$'000	Corporate finance and capital markets HK\$'000	Asset management HK\$'000	Others HK\$'000	Consolidated HK\$'000
Segmental income statement							
Commission and fee income	-	-	8,982	5,494	86	766	15,328
Interest income arising from financial assets at amortised cost	719	249	15,447	24	5	387	16,831
Interest income arising from debt securities at fair value through profit or loss	1,133	-	-	-	-	-	1,133
Other income	4,177	3,273	-	-	-	-	7,450
Inter-segment revenue	520	-	1,219	-	3,420	13,823	18,982
Segment revenue	6,549	3,522	25,648	5,518	3,511	14,976	59,724
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	(28,024)	-	2	-	-	-	(28,022)
Other income and gain or losses	(20)	(377)	(708)	2	895	(57)	(265)
Eliminations	(520)	-	(1,219)	-	(3,420)	(13,823)	(18,982)
	<u>(22,015)</u>	<u>3,145</u>	<u>23,723</u>	<u>5,520</u>	<u>986</u>	<u>1,096</u>	<u>12,455</u>
Segment results	<u>(40,100)</u>	<u>(1,423)</u>	<u>(14,991)</u>	<u>(8,495)</u>	<u>(2,576)</u>	<u>(13,037)</u>	<u>(80,622)</u>
Gain on disposal of an associate	4,630	-	-	-	-	-	4,630
Share of loss of a joint venture	-	(8)	-	-	-	-	(8)
Share of (loss)/profit of associates	(4,858)	485	136	-	-	-	(4,237)
Changes on non-controlling interests in consolidated investment funds	1,056	-	-	-	-	-	1,056
Loss before tax							<u>(79,181)</u>
Segment assets							
Segment assets	377,275	115,599	650,393	6,570	4,811	328,502	1,483,150
Eliminations							(45,219)
Total assets							<u>1,437,931</u>
Other segmental information							
Depreciation	<u>6</u>	<u>-</u>	<u>37</u>	<u>38</u>	<u>953</u>	<u>9,580</u>	<u>10,614</u>
Addition to non-current assets*	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331</u>	<u>1,831</u>
Net impairment losses on financial instruments	<u>-</u>	<u>-</u>	<u>9,892</u>	<u>234</u>	<u>-</u>	<u>-</u>	<u>10,126</u>
Commission expenses	<u>759</u>	<u>-</u>	<u>1,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,107</u>
Finance costs	<u>247</u>	<u>-</u>	<u>2,197</u>	<u>-</u>	<u>39</u>	<u>3,037</u>	<u>5,520</u>

* Addition to non-current assets consists of additions to property and equipment, interest in a joint venture and interests in associates.

GEOGRAPHICAL INFORMATION

The following illustrates the geographical analysis of the Group's revenue from external customers, based on the location from which the transactions are executed, and information about its non-current assets (excluding loans to and amounts due from associates, other assets, financial assets at FVTPL and deferred tax assets), based on the location of assets.

	Revenue		Non-current assets	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	46,698	35,585	359,054	406,786
Mainland China	3,347	4,210	33,980	35,101
Others	993	947	3,442	1,564
	<u>51,038</u>	<u>40,742</u>	<u>396,476</u>	<u>443,451</u>

Information about major customers

Sponsor and compliance advisory fee of approximately HK\$8.4 million included in corporate finance and capital markets division for the year ended 30 June 2024 was arising from the Group's largest customer. No major customers were noted in last year.

6 LOSS BEFORE TAX

Loss before tax has been arrived at after charging/(crediting):

	2024	2023
	HK\$'000	HK\$'000
(a) Finance costs:		
Interest on:		
– unsecured bank loans wholly repayable within one month and overdrafts	9	8
– secured bank loans wholly repayable within one year	3,589	3,550
– brokerage clients	2,901	1,675
– others	368	239
– lease liabilities	7	48
	<u>6,874</u>	<u>5,520</u>
(b) Net impairment losses on financial instruments:		
Accounts, loans and other receivables	8,026	10,126
Recoveries of loan receivable written off in prior years	(109)	–
	<u>7,917</u>	<u>10,126</u>
(c) Staff costs, including directors' remuneration:		
Salaries and other allowances	35,711	38,749
Less: Government grants*	–	(520)
	<u>35,711</u>	<u>38,229</u>
Pension costs – defined contribution plan	968	1,051
	<u>36,679</u>	<u>39,280</u>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(d) Other items:		
Depreciation	9,559	10,614
Lease payments not included in the measurement of lease liabilities	107	229
Auditors' remuneration	3,222	3,353
Impairment loss on goodwill	–	1,073
Impairment loss on intangible assets	–	30
	<u> </u>	<u> </u>

* Government grant was received for the Employment Support Scheme to provide time-limited financial support to employers to retain employees who may otherwise be made redundant. The government grant received was deducted from the salaries and other allowances to which they relate. The Group is required to undertake and warrant that they will not implement redundancies during the subsidy period and spend all the wages subsidies on paying salaries to their employees.

7 INCOME TAX EXPENSES/(CREDIT)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax		
– Hong Kong	–	–
– Mainland China	–	–
	<u> </u>	<u> </u>
	–	–
Overprovision in prior years	(6)	(11)
Deferred tax	437	(230)
	<u> </u>	<u> </u>
Charge/(credit)	<u>431</u>	<u>(241)</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for the current and prior years. The subsidiaries in mainland China are subject to PRC Enterprise Income Tax at 25%.

8 DIVIDENDS

Dividends paid and payable to owners of the company for the year

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interim dividend paid of 1 HK cent per share (2023: 1 HK cent per share)	7,445	7,396
Final dividend proposed after the end of the reporting period of 1 HK cent per share (2023: 1 HK cent per share)	7,445	7,396
	<u> </u>	<u> </u>
	<u>14,890</u>	<u>14,792</u>

9 LOSS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss		
Loss for the purposes of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	<u>(56,654)</u>	<u>(78,497)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>741,707,376</u>	<u>734,491,959</u>

10 ACCOUNTS, LOANS AND OTHER RECEIVABLES

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts and loan receivables			
Amounts due from brokers and clearing houses	<i>(a)</i>	71,892	100,865
Amounts due from margin clients	<i>(b)</i>	7,684	23,724
Amounts due from cash clients	<i>(c)</i>	8,996	9,789
Loan receivables	<i>(d)</i>	48,021	77,301
Other accounts receivable	<i>(e)</i>	46	351
		<u>136,639</u>	212,030
Less: Impairment allowances		<u>(23,706)</u>	<u>(58,554)</u>
		<u>112,933</u>	153,476
Prepayments, deposits and other receivables		5,129	6,427
Less: Impairment allowances		<u>–</u>	<u>(1,230)</u>
		<u>5,129</u>	5,197
		<u>118,062</u>	<u>158,673</u>

Notes:

- (a) Amounts due from brokers and clearing houses are required to be settled on the settlement date determined under the relevant market practices or exchange rules.

The amounts due from brokers of HK\$10,638,000 (2023: HK\$8,670,000) were pledged as collateral for the stock borrowing transactions.

- (b) Margin clients of the brokerage division are required to pledge securities collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a discount on the value of securities accepted by the Group. The amounts due from margin clients are repayable on demand and bear interest at commercial rates. As at 30 June 2024, the total market value of securities pledged as collateral in respect of the loans to margin clients was approximately HK\$9 million (2023: HK\$6 million). Management monitors the market value of collateral during the reviews of the adequacy of the impairment allowances. The fair value of collateral can be objectively ascertained to cover the outstanding amount of the loan balances based on quoted prices of the collateral.

- (c) There are no credit terms granted to cash clients of the brokerage division except for financing of IPO subscriptions. They are required to settle their securities trading balances on the settlement date determined under the relevant market practices or exchange rules.
- (d) Loan receivables comprise fixed-rate loan receivables of HK\$18 million (2023: HK\$33 million) and factoring receivables of HK\$30 million (2023: HK\$44 million), and accumulated impairment allowances of HK\$18 million (2023: HK\$35 million) as at 30 June 2024. The credit terms for loans granted by the Group's brokerage and financing division are determined by management with reference to the financial background and the value and nature of collateral pledged by the borrowers. The loan receivables are mainly secured by personal/corporate guarantee, properties and trade receivables. The contractual maturity date of the loan receivables is normally within one year.
- (e) The Group normally allows credit periods of up to 30 days to customers, except for certain creditworthy customers with long term relationship and stable repayment pattern, where the terms are extended to a longer period.

The ageing analysis of accounts and loan receivables net of impairment losses based on invoice/advance/trade date/contractual maturity date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current and within one month	104,139	139,192
More than one month and within three months	–	67
More than three months	8,794	14,217
	112,933	153,476

Included in the above table, loan receivables of approximately HK\$21,481,000 and HK\$8,790,000 were aged within one month and more than three months respectively (2023: approximately HK\$28,103,000 and HK\$14,093,000 were aged within one month and more than three months respectively).

The movements in the allowance for impairment losses for accounts and loan receivables of the Group were as follows:

	Amounts due from brokers and clearing houses <i>HK\$'000</i>	Amounts due from margin clients <i>HK\$'000</i>	Amounts due from cash clients <i>HK\$'000</i>	Loan receivables <i>HK\$'000</i>	Other accounts receivable <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2022	–	20,600	368	45,071	1,824	67,863
Impairment losses recognised/(reversed)	–	(88)	(11)	9,991	234	10,126
Impairment of new financial assets recognised	–	2,346	–	–	–	2,346
Amounts written off as uncollectible	–	–	–	(19,957)	(1,824)	(21,781)
At 30 June 2023 and 1 July 2023	–	22,858	357	35,105	234	58,554
Impairment losses recognised	–	–	166	7,694	166	8,026
Amounts written off as uncollectible	–	(17,410)	(15)	(25,049)	(400)	(42,874)
At 30 June 2024	–	5,448	508	17,750	–	23,706

11 ACCRUALS, ACCOUNTS AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts payable (on demand or within one month)		
Amounts due to brokers and clearing houses	3,262	2,149
Clients' accounts payable	327,281	433,619
Others	6,676	7,199
	<u>337,219</u>	<u>442,967</u>
Other creditors, accruals and other provisions	<u>7,705</u>	<u>8,366</u>
	<u><u>344,924</u></u>	<u><u>451,333</u></u>

The settlement terms of payable to brokers, clearing houses and securities trading clients arising from the ordinary course of business of broking in securities range from one to two days after the trade date of those transactions. Deposits exceeding the margin requirement received from clients for their trading of futures contracts are payable on demand.

12 SHARE CAPITAL AND SHARE PREMIUM

The movements in the Company's issued share capital are as follow:

	Number of shares in issue	Issued capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 July 2022	730,393,209	73,039	368,751	441,790
Scrip dividend issued	<u>9,178,182</u>	<u>918</u>	<u>1,891</u>	<u>2,809</u>
At 30 June 2023 and 1 July 2023	739,571,391	73,957	370,642	444,599
Scrip dividend issued	<u>4,947,915</u>	<u>495</u>	<u>658</u>	<u>1,153</u>
At 30 June 2024	<u><u>744,519,306</u></u>	<u><u>74,452</u></u>	<u><u>371,300</u></u>	<u><u>445,752</u></u>

During the years ended 30 June 2023 and 2024, the movements in share capital were as follows:

On 19 January 2023, the Company issued 9,178,182 new shares at HK\$0.306 on each issued share for the distribution of the scrip dividend declared for 2022 final dividend.

On 25 January 2024, the Company issued 4,947,915 new shares at HK\$0.233 on each issued share for the distribution of the scrip dividend declared for 2023 final dividend.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

MANAGEMENT DISCUSSION AND ANALYSIS

THE MARKET

In 2023, overseas markets were bullish, with major US and European stock indices hitting record highs. In contrast, the Hong Kong stock market declined for the fourth consecutive year due to an economic slowdown, weak local consumption, ongoing geopolitical tensions in the Middle East and Ukraine, and persistent trade conflicts between the US and China. In January 2024, the Hang Seng Index (“HSI”) fell to a 15-month low of 14,961 following the release of China’s economic data. Market sentiment improved in April 2024 after the China Securities Regulatory Commission announced five measures to enhance capital market cooperation with Hong Kong. Consequently, the HSI hit a nine-month high in May 2024. By the end of June 2024, the HSI had rebounded 18% from its January lows, closing at 17,719, compared with 17,047 at the end of December 2023 and 18,916 at the end of June 2023. The Hong Kong stock market sentiment remained weak and volatile, prompting investors to adopt a cautious approach. The average monthly aggregate turnover on the Main Board and GEM Board during the year ended 30 June 2024 (“FY2024”) continued to decrease, falling by 11% to HK\$2,084 billion, compared with HK\$2,333 billion for the year ended 30 June 2023 (“FY2023”). IPO activities in Hong Kong were sluggish and the size of IPOs was relatively small. Fund raising only amounted to about HK\$42 billion for FY2024, a significant drop of 59% from HK\$103 billion for FY2023.

FINANCIAL HIGHLIGHTS

The Group reported a loss after tax of HK\$57 million for FY2024, as compared to a loss after tax of HK\$79 million for FY2023. After taking into account the other comprehensive expense for the year, the Group recorded a total comprehensive expense of HK\$82 million for FY2024, compared to a total comprehensive expense of HK\$94 million for FY2023. The Hong Kong office market is still suffering from the high interest rates and financial difficulties of Mainland companies. The vacancy rate for Grade A offices on Hong Kong Island is still in double digits, resulting in continued rent decreases. In FY2024, the Group experienced a revaluation loss, net of tax, of HK\$25 million for its own used properties, compared to an HK\$8 million loss in FY2023.

Commission and fee income from our financial intermediary business amounted to HK\$21 million for FY2024, compared to HK\$15 million in FY2023. Interest income increased from HK\$18 million for FY2023 to HK\$21 million for FY2024. The Group enjoyed an increase of HK\$3 million in interest income from bank deposits in FY2024 due to the interest rate hikes. Dividend and rental income increased to HK\$10 million for FY2024, compared to HK\$7 million for FY2023. The Hong Kong stock market continued to underperform, with the HSI falling another 6% in FY2024 following a drop of 14% in FY2023. Consequently, the Group recorded a net loss of HK\$29 million on financial assets and liabilities at fair value through profit or loss in FY2024, compared to a net loss of HK\$28 million in FY2023. General and administrative expenses declined by HK\$7 million, from HK\$72 million in FY2023 to HK\$65 million in FY2024, primarily due to reduced staff costs, the disposal of mainland China asset management business, and business downsizing. Interest expenses increased by HK\$1 million to HK\$7 million for FY2024 due to the increase in interest paid to brokerage clients as a result of the upward movement of interest rate.

BROKERAGE AND FINANCING

The division generated total revenue of HK\$29 million for FY2024, up from HK\$26 million in FY2023, primarily due to higher bank interest income. High interest rates led investors to shift from stock to safe-haven assets, causing the average monthly total turnover on the Main Board and GEM Board in FY2024 to decline by 11% compared to FY2023. Despite the challenging market conditions, the brokerage commission income only decreased HK\$1 million in FY2024 from HK\$7 million in FY2023.

As of 30 June 2024, the margin loans, fixed-rate loans and factoring receivables, after expected credit loss, amounted to HK\$33 million, compared to HK\$43 million as of 30 June 2023. The Group has taken more stringent measures to approve loan facilities and evaluate the collateral in light of the economic uncertainties. Additionally, several clients have been requested to provide extra collateral to improve loan quality. As a result, the loan portfolio has decreased, and interest income dropped by HK\$1 million in FY2024 compared to the last year. The challenging economic conditions in Hong Kong and mainland China, along with high borrowing costs, has worsened the business climate and adversely affecting our clients' financial performance and cash flow. Consequently, some loan clients have declared bankruptcy, resulting in the Group recording an additional impairment loss of HK\$8 million in FY2024, compared to HK\$10 million in FY2023.

CORPORATE FINANCE AND CAPITAL MARKETS

The division's total revenue was HK\$11 million for FY2024, compared to HK\$6 million in FY2023. The division successfully completed an IPO project in January 2024 and recognised a fee income of HK\$8 million for the year. The team has met with several potential clients in mainland China and demonstrated their expertise. They have recently signed a sponsorship mandate. If market sentiment improves in the coming months, they are well-positioned to secure additional engagements based on their solid track record.

Capital market continued to be weak in our target client segment and the division earned underwriting and placement fees of HK\$1 million in both FY2024 and FY2023.

ASSET MANAGEMENT

The division's total revenue was HK\$3 million and HK\$4 million for FY2024 and FY2023 respectively. The performance of the funds managed by the division was adversely affected by the underperformance of the Hong Kong stock market. The division is currently collaborating with various investment managers to provide a variety of asset management products tailored for high-net-worth clients.

The Group disposed of its mainland China asset management service and recognised a gain on disposal of HK\$4 million in FY2024. The disposal reduced the level of loss and improved the profitability of the division.

PROPRIETARY INVESTMENT

Total revenue of the division was HK\$9 million for FY2024, compared to HK\$7 million for FY2023. After including net loss on disposal of financial assets and liabilities at fair value through profit or loss, total loss for the division was HK\$20 million for FY2024, as compared to a loss of HK\$21 million for FY2023. The Group recognised a net loss of HK\$20 million from its listed equity securities portfolio resulted from the poor performance of the stock market for FY2024, as compared with a net loss of HK\$28 million for FY2023. The unlisted investment's business performance was negatively impacted by the sluggish economy. As a result, the Group reported a loss of HK\$8 million from its investment in unlisted equity securities for the year, compared to a gain of HK\$3 million in FY2023.

As at 30 June 2024, the carrying value of the unlisted investments, listed securities and listed debt securities and bond funds portfolio was HK\$53 million, HK\$158 million and HK\$45 million respectively (30 June 2023: HK\$102 million, HK\$137 million and HK\$28 million). During the year, the Group redeemed investment funds with proceeds of HK\$40 million to increase its liquidity. Two more funds were redeemed for HK\$8 million after the year ended. Investment in listed debt securities and bond funds rose by HK\$16 million in FY2024 compared to FY2023. The division increased its investment in global bonds with high credit ratings to lock in the current yields. The division is currently reviewing its investment portfolio mix in anticipation of potential interest rate cuts by the US Federal Reserve. The largest investment of the financial assets at fair value through profit or loss was an unlisted equity security which accounted for approximately 3.4% of the Group's consolidated total assets as of 30 June 2024. The directors considered investments with a fair value of more than 5% of the Group's consolidated total assets as a significant investment.

PROPERTY INVESTMENTS

The division achieved total revenue of HK\$3 million for FY2024, compared to HK\$4 million for FY2023. The properties that it rented out generated steady cash flow for the division. The Hong Kong economy has encountered challenges, including slower growth and reduced consumer spending, which have affected retail sales and, consequently, led to a decline in the valuation of retail shops. Our retail shop in Kwun Tong experienced a revaluation loss of HK\$7 million in FY2024, significantly higher than the HK\$1 million loss reported for FY2023. The joint venture property project company established in December 2021 completed the ground inspection and obtained the approval of the building and foundation plans. The preliminary development costs are financed by its internal resources.

To date, the division holds a shop and a carpark in Hong Kong and an office property in the mainland China. In addition, the Group has invested in two associated companies which hold commercial properties in Japan and a joint venture company which holds two adjacent parcels of land in Hong Kong.

OUTLOOK

The market focus was changed from the health crisis to geopolitical tension during our last fiscal year. The Russia Ukraine conflict lasts longer and becomes more extensive. The outbreak of severe confrontation between Israel and Palestine brought a lot of military and humanitarian issues to the forefront. AI remains the growth engine and the US is still leading the world's capital markets. Biden's last-minute withdrawal from the US Presidential race brings a lot of uncertainty to the election in November. Nevertheless, US China tension will remain and the role of Hong Kong as a bridge between China and the West will be challenged. Hong Kong may need to explore the business opportunities with its regional partners to fuel its future growth.

LIQUIDITY AND FINANCIAL RESOURCES

As of the end of June 2024, the Group's total assets amounted to HK\$1,211 million, with approximately 62% classified as current assets. Net current assets amounted to HK\$269 million, representing approximately 38% of the net assets of the Group. The Group held net cash and cash equivalents of HK\$109 million, primarily in Hong Kong and US dollars.

The Group generally finances its daily operations from internal resources. Total secured borrowings of HK\$73 million as at the end of June 2024 were used to finance its investment portfolio. The bank loans and overdrafts were denominated in Hong Kong dollars and charged at floating interest rate. The Group's gearing ratio was approximately 10% as at the end of June 2024. As at 30 June 2024, the office and investment properties with carrying value of HK\$313 million were pledged to a bank as security for the banking facility.

Other than the indemnity provided to the Hong Kong Securities Clearing Co. Ltd., the Group had no other material contingent liabilities as at the end of June 2024. The Company provided corporate guarantees of HK\$240 million for banking facilities granted to its subsidiaries.

FOREIGN EXCHANGE EXPOSURE

The Group's assets are mainly in Hong Kong and the PRC and most of the monetary assets and liabilities of the Group are denominated in HK\$. As part of our investment monitoring, financial assets denominated in foreign currencies, including equity and debt investments, are monitored on a daily basis together with the changes in market value of these investments. Financial instruments may be used as part of the overall investment strategy if deemed necessary by the investment managers. The Group operates a factoring business and purchased properties in the PRC. Taking into account all relevant macroeconomic factors and the size of assets held, the Group believes that there is no need to hedge these assets denominated in RMB. Management will monitor the situation closely and introduce suitable hedging measures if there are any material adverse changes. The Group does not have other material exposure to fluctuation in exchange rates and no hedging instruments are used.

EMPLOYMENT, TRAINING AND DEVELOPMENT POLICIES

As at 30 June 2024, the number of full time employees of the Group was 58 (2023: 70). Remunerations and bonus are based on performance and are reviewed annually in conjunction with the annual employee performance appraisal. It also takes into consideration the results of the division to which the employee belongs and the Group as a whole. The Group provides a full induction program and inhouse training courses to all staff – particularly professionals registered with relevant regulatory bodies who must meet their mandatory continued professional training requirements. A share option scheme is available to directors, employees and consultants of the Group.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited throughout the financial year ended 30 June 2024.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the year under review and they have all confirmed that they have complied with the required standard set out in the Model Code.

FINAL DIVIDEND

The Board of Directors has proposed, subject to the approval of shareholders at the forthcoming Annual General Meeting on Thursday, 28 November 2024, the payment of a final dividend of 1 HK cent per ordinary share for the year ended 30 June 2024 to shareholders whose names appear on the Register of Members of the Company on Friday, 6 December 2024, if approved, the final dividend will be paid on Thursday, 23 January 2025.

Shareholders will be given the option to receive the proposed 2024 final dividend of 1 HK cent per share in new shares in lieu of cash (the “Scrip Dividend Arrangement”). The Scrip Dividend Arrangement is subject to: (1) the approval of proposed 2024 final dividend at the 2024 Annual General Meeting; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular containing details of the Scrip Dividend Arrangement will be despatched to the Shareholders together with the form of election for scrip dividend in December 2024. Dividend warrants and share certificates in respect of the proposed 2024 final dividend are expected to be despatched to the Shareholders on 23 January 2025.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register of Members of the Company will be closed from Monday, 25 November 2024 to Thursday, 28 November 2024, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of the shareholders entitled to attend and vote at the 2024 Annual General Meeting. In order to qualify to attend and vote at the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited (at 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, 22 November 2024.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The Register of Members of the Company will be closed from Wednesday, 4 December 2024 to Friday, 6 December 2024 (both days inclusive) during which period no transfer of shares will be effected for the purpose of determining the entitlement to the final dividend. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited (at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) not later than 4:30 p.m. on Tuesday, 3 December 2024.

AUDIT COMMITTEE REVIEW

The Group's audited consolidated financial results for the year ended 30 June 2024 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF MESSRS. ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 June 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Ernst & Young 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Ernst & Young on the preliminary announcement.

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

During the year ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
Michael Koon Ming Choi
Chief Executive Officer

Hong Kong, 26 September 2024

As at the date of this announcement, the directors of the Company are Jonathan Koon Shum Choi as Chairman, Michael Koon Ming Choi as Chief Executive Officer & Executive Director, Janice Wing Kum Kwan as Non-Executive Director, Robert Tsai To Sze, Elizabeth Law and Huanfei Guan as Independent Non-Executive Directors.