KPMG

China Orient Asset Management (International) Holding Limited

Financial Statements
for the year ended 31 December 2024

Directors' report

The directors present their report with the audited consolidated financial statements for the year ended 31 December 2024.

Principal activities

The principal activities of the Company are provision of financing, investment and financial advisory services, asset management and investment holding. The activities of its principal subsidiaries are set out in note 35 to the consolidated financial statements.

Results

The results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and consolidated statement of comprehensive income on pages 8 and 9.

Dividends

The directors of the Company do not recommend the payment of a dividend for the year.

Business review

The Company is exempted from the preparation of a business review under the Hong Kong Companies Ordinance as it is a wholly owned subsidiary of another body corporate in the financial year.

Share capital

Details of the Company's share capital are set out in note 28 to the consolidated financial statements. There was no movement in the Company's share capital during the year.

Directors

The directors of the Company during the year and up to the date of this report were:

Ning Jing
Yang Zheng
Wang Letian
Zhou Jidong

There being no provision in the Company's Articles of Association for retirement by rotation all directors continue in office.

Directors' report (continued)

Directors (continued)

The names of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report are set out below:

Wang Weiwei	
Li Lu	
Cao Yan	
Li Rui	
James Michael Kattan	(resigned on 31 December 2024)
Gonzalo Jalles	
Wang Letian	
Li Xiaozhou	
Xu Yi	
Fan Qirui	(resigned on 22 May 2024)
Zou Wenjing	
Qian Cheng	
Xia Yong	
Li Wenze	
Li Jun	
Cao Yue	
Zhang Tianran	
Zhou Jidong	
Lv Guoyan	
Long Tianyu	
Ye Nan	
Wang Yang	
Qu Ming	(appointed on 15 October 2024)
Chen Nanhui	(appointed on 2 September 2024)
Xiong Lang	(appointed on 16 September 2024)
Vimbai Artwell Gurure	(appointed on 31 December 2024)

Directors' interests in contracts of significance

No contracts of significance in relation to the Group's business to which the Company's subsidiaries, its ultimate holding company or any subsidiaries of its ultimate holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in the shares and debentures of the Company

At no time during the year was the Company, its subsidiaries, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Directors' report (continued)

Permitted indemnity provisions

At no time during the financial year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

Auditor

KPMG were appointed as auditors of the Company in 2024 upon the retirement of PricewaterhouseCoopers.

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

ZHOU Jidong
Director

Hong Kong,

17 MAR 2025

KPMG

Independent auditor's report to the members of China Orient Asset Management (International) Holding Limited

中國東方資產管理 (國際) 控股有限公司

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of China Orient Asset Management (International) Holding Limited ("the Company") and its subsidiaries ("the Group") set out on pages 8 to 91, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Independent auditor's report to the members of China Orient Asset Management (International) Holding Limited (continued)

中國東方資產管理 (國際) 控股有限公司

(Incorporated in Hong Kong with limited liability)

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent auditor's report to the members of China Orient Asset Management (International) Holding Limited (continued)

中國東方資產管理 (國際) 控股有限公司

(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

17 MAR 2025

Consolidated statement of profit or loss for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
Continuing operations			
Revenue	5	1,795,468	2,243,092
Other income	6	268,932	206,437
Other gains or losses	7	2,414,256	1,231,665
Impairment losses, net	8	(898,077)	(143,159)
Administrative expenses		(301,782)	(341,338)
Staff costs	9	(141,450)	(148,828)
Finance costs	9	(2,806,780)	(2,467,856)
Share of results of associates and joint ventures	18	7,266	(345,387)
Share of losses from third-party interests in consolidated investment funds		(1,038)	(6,612)
Profit before tax from continuing operations		336,795	228,014
Income tax	11	(219,424)	9,849
Profit for the year from continuing operations		117,371	237,863
Discontinued operations:			
Loss from discontinued operations	29	(113,468)	(76,114)
Profit for the year	9	3,903	161,749
Profit attributable to:			
Owners of the Company		39,439	197,071
Non-controlling interests		(35,536)	(35,322)
		3,903	161,749

The notes on pages 17 to 91 form part of these financial statements.

Consolidated statement of comprehensive income for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
Profit for the year		3,903	161,749
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(196,255)	(220,920)
Net changes in unrealised gain on financial assets at fair value through other comprehensive income		3,549	171,574
Items that will not be reclassified subsequently to profit or loss:			
Net changes in unrealised gain/(loss) on financial assets at fair value through other comprehensive income		19,260	(21,066)
Other comprehensive income for the year, net of tax		(173,446)	(70,412)
Total comprehensive income for the year		(169,543)	91,337
Total comprehensive income attributable to:			
Owners of the Company		(133,797)	135,543
Non-controlling interests		(35,746)	(44,206)
		(169,543)	91,337

The notes on pages 17 to 91 form part of these financial statements.

Consolidated statement of financial position for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
ASSETS			
Non-current assets			
Equipment	13	3,801	2,264
Investment properties	15	-	2,412,200
Right-of-use assets	16	72,622	107,221
Deferred tax assets	17	527,627	583,995
Other assets	14	2,858,010	2,908,897
Interests in associates and joint ventures	18	6,055,198	4,985,483
Financial assets at fair value through profit or loss	19	4,274,663	3,935,953
Financial assets at fair value through other comprehensive income	20	83,454	58,570
Loans, other receivables and prepaid expenses	21	5,070,764	5,431,182
		18,946,139	20,425,765
Current assets			
Loans, other receivables and prepaid expenses	21	21,812,192	20,627,809
Financial assets at fair value through profit or loss	19	24,922,431	22,490,248
Tax receivable		99,314	82,787
Time deposits with maturity over three months	22	594,323	329,743
Cash and cash equivalents	22	8,829,639	9,473,007
		56,257,899	53,003,594
Assets classified as held for sale	23	5,201,238	5,314,231
Total assets		80,405,276	78,743,590

Consolidated statement of financial position (continued) for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings	26	2,322,894	2,105,540
Bonds and notes payables	27	32,435,953	28,597,440
Lease liabilities	16	34,124	68,084
Deferred tax liabilities	17	281,130	288,698
		35,074,101	31,059,762
Current liabilities			
Other payables and accruals	24	6,879,495	6,817,309
Tax payable		1,181,460	1,145,905
Financial liabilities at fair value through profit or loss	19	13,056	217,229
Third-party interests in consolidated investment funds	25	31,948	50,013
Borrowings	26	14,137,654	11,604,619
Bonds and notes payables	27	11,041,675	15,813,550
Lease liabilities	16	40,022	39,117
		33,325,310	35,687,742
Liabilities associated with assets held for sale	23	1,792,220	1,838,205
Total liabilities		70,191,631	68,585,709
Net assets		10,213,645	10,157,881

Consolidated statement of financial position (continued) for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
EQUITY			
Share capital	28	-	-
Reserves		10,273,373	10,156,284
Equity attributable to owners of the Company		10,273,373	10,156,284
Non-controlling interests		(59,728)	1,597
Total equity		10,213,645	10,157,881

Approved by the Board of Directors on 17 MAR 2025

ZHOU Jidong
Director

WANG Letian
Director

The notes on pages 17 to 91 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024

	Attributable to owners of the Company					
	Share capital HK\$'000	*Other reserves* HK\$'000 (Note 36)	*Retained earnings* HK\$'000	*Sub-total* HK\$'000	*Non-controlling interests* HK\$'000	*Total equity* HK\$'000
Balance at 1 January 2023	-	(1,975,878)	11,996,619	10,020,741	358,803	10,379,544
Profit for the year	-	-	197,071	197,071	(35,322)	161,749
Other comprehensive income	-	(61,528)	-	(61,528)	(8,884)	(70,412)
Total comprehensive income	-	(61,528)	197,071	135,543	(44,206)	91,337
Disposals of subsidiaries	-	-	-	-	(313,000)	(313,000)
Balance at 31 December 2023 and 1 January 2024	-	(2,037,406)	12,193,690	10,156,284	1,597	10,157,881
Profit for the year	-	-	39,439	39,439	(35,536)	3,903
Other comprehensive income	-	(173,236)	-	(173,236)	(210)	(173,446)
Total comprehensive income	-	(173,236)	39,439	(133,797)	(35,746)	(169,543)
Disposals of subsidiaries	-	250,886	-	250,886	(25,579)	225,307
Balance at 31 December 2024	-	(1,959,756)	12,233,129	10,273,373	(59,728)	10,213,645

The notes on pages 17 to 91 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
Cash flows from operating activities			
Profit before tax from continuing operations		336,795	228,014
Loss before tax from discontinued operations		(113,468)	(76,114)
Adjustments for:			
Depreciation of equipment	9	732	21,682
Depreciation of investment properties	9	44,859	198,093
Depreciation of right-of-use assets	9	40,808	42,399
Finance costs	9	2,806,780	2,989,534
Net impairment allowances on financial assets	8	898,077	387,220
Share of results of associates and joint ventures		(7,266)	345,387
Share of loss from third-party interests in consolidated investment funds		(1,038)	(1,800)
Gain on disposal of associate	7	(298,702)	-
Fair value changes from investment in an associate measured at FVPL	18	(113,876)	806,695
Gain on disposal of equipment		-	(24)
Gain on disposal of subsidiaries		-	(1,465,325)
Net unrealised gains on financial assets and liabilities at fair value through profit or loss		(1,941,911)	(2,388,195)
Unrealised exchange difference	7	(59,767)	68,855
Operating cash flows before movements in working capital		1,592,023	1,156,421
Decrease in loans, other receivables and prepaid expenses		643,101	3,608,952
Decrease in other assets		50,887	-
(Increase)/decrease in financial assets at fair value through profit or loss		(1,892,197)	1,274,399
(Increase)/decrease in time deposits with maturity over three months		(264,580)	4,370
Increase/(decrease) in other payables and accruals		16,889	(2,769,946)
Cash generated from operations		146,123	3,247,196
Income taxes paid		(133,205)	(299,860)
Net cash flow generated from operating activities		12,918	2,974,336

Consolidated statement of cash flows (continued) for the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Cash flows from investing activities			
Purchases of equipment	13	(2,463)	(550)
Disposals of equipment	13	548	206
Net cash from disposal of subsidiaries		-	(4,268)
Proceeds from disposal of associates		498,111	452,024
Acquisitions of/capital injections in joint ventures and associates		(178,519)	(437,918)
Returns of capital from/dividends received from associates and joint ventures		33,499	558,627
Payments for financial assets at fair value through other comprehensive income		-	(1,629)
Disposal of financial assets at fair value through other comprehensive income		-	5,023
Net cash flow (used in)/generated from investing activities		351,176	571,515

Consolidated statement of cash flows (continued) for the year ended 31 December 2024

	Notes	*2024* HK$'000	*2023* HK$'000
Cash flows from financing activities			
Finance costs paid	34(a)	(2,772,303)	(2,438,258)
Increase in payables to ultimate holding company, immediate holding company and related parties	34(a)	73,048	196,064
New borrowings raised	34(a)	14,700,919	11,584,161
Net proceeds from issuances of bonds and notes payables	34(a)	14,136,249	4,946,142
Repayments of bonds and notes payables	34(a)	(14,712,048)	(3,117,626)
Repayments of borrowings	34(a)	(11,726,895)	(10,593,314)
Repayments of lease liabilities	34(a)	(36,390)	(53,233)
Net cash flow (used in)/generated from financing activities		(337,420)	523,936
Net increase in cash and cash equivalents		26,674	4,069,787
Cash and cash equivalents at the beginning of the financial year		9,473,007	5,533,542
Effects of exchange rate changes on cash and cash equivalents		(670,042)	(130,322)
Cash and cash equivalents at the end of the financial year	22	8,829,639	9,473,007

The notes on pages 17 to 91 form part of these financial statements.

Notes to the consolidated financial statements

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

China Orient Asset Management (International) Holding Limited (the "Company") and its subsidiaries (together "the Group") provide financing, investment and financial advisory services, manage asset and hold investment.

The Company is a limited liability company incorporated in Hong Kong. The Company's immediate holding company is Dong Yin Development (Holdings) Limited, a limited liability company incorporated in Hong Kong. The Company's ultimate holding company is China Orient Asset Management Co., Ltd. ("COAMC"), a company registered in the People's Republic of China (the "PRC") and formed under the authorisation of the State Council and the People's Bank of China. The Company's registered office and principal place of business are located at 36/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

These financial statements are presented in HK dollars (HK$) and all values are rounded to the nearest thousand, unless otherwise stated.

2 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with HKFRSs and HKCO

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance ("HKCO") Cap.622.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) - measured at fair value.

2 Summary of material accounting policies (continued)

2.1 Basis of preparation (continued)

(c) New and amended standards adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The adoption of the above amended standards has had no significant financial effect on the consolidated financial statements.

There are no new standards and amendments to standards that are effective for the first time for this period that could be expected to have a material impact on the Group.

(d) New standards and interpretations not yet adopted

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 21, *The effects of changes in foreign exchange rates - Lack of exchangeability*	1 January 2025
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
HKFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.3).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are generally accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost. However, HKAS 28 "Investment in associates and joint ventures" provides exemptions from applying the equity method when the investment in the associate or joint venture is held by, or is held indirectly through, venture capital organisations, or mutual funds, unit trusts and similar entities including investment-linked insurance funds. Those investments in associates and joint ventures may be measured at fair value through profit or loss in accordance with HKFRS 9 Financial Instruments.

(c) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated statement of financial position.

2 Summary of material accounting policies (continued)

2.2 Principles of consolidation and equity accounting (continued)

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.9.

(e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of China Orient Asset Management (International) Holding Limited.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 Summary of material accounting policies (continued)

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2 Summary of material accounting policies (continued)

2.4 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Hong Kong dollar (HK$), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains or losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains or losses are presented in the statement of profit or loss on a net basis within other gains or losses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2 Summary of material accounting policies (continued)

2.5 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2 Summary of material accounting policies (continued)

2.6 Equipment

All equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asse's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Furniture, fittings and equipment	3 - 5 years or over the lease term, whichever is shorter
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of profit or loss.

2 Summary of material accounting policies (continued)

2.7 Investment properties

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as "investment property".

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 32 to 35 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

2.8 Foreclosed assets

Foreclosed assets are initially recognised at fair value and subsequently measured at the lower of their carrying amount and fair value, less costs to sell, at the end of each reporting period. When the fair value, less costs to sell, is lower than a foreclosed asset's carrying amount, an impairment loss is recognised in consolidated statement of profit or loss.

Any gain or loss arising on the disposal of the foreclosed asset is included in the consolidated statement of profit or loss in the period in which the item is disposed.

The Group disposes of foreclosed assets through various means. In principle, foreclosed assets should not be transferred for own use, but, in the event that they are needed for the Group's own business or management purposes, they are transferred at their net carrying amounts and managed as newly acquired property and equipment.

2 Summary of material accounting policies (continued)

2.9 Impairment of non-financial assets

Equipment, investment properties and foreclosed assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets that are carried at fair value and contractual rights under insurance contracts which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of profit or loss, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on disposal, of the assets or disposal group(s) constituting the discontinued operation.

2 Summary of material accounting policies (continued)

2.11 Financial instruments

(a) Initial recognition, classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

(1) Financial assets

Financial assets are classified in the following measurement categories based on the Group's business model for managing the asset and the cash flow characteristics of the assets:

(i) Amortised cost ("AC");
(ii) Fair value through other comprehensive income ("FVOCI"); or
(iii) Fair value through profit or loss ("FVPL").

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("SPPI"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

2 Summary of material accounting policies (continued)

The classification requirements for debt instruments and equity instruments are described as below:

Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds. Classification and measurement of debt instruments depend on the Group's business models for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

(i) AC: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVPL, are measured at amortised cost.

(ii) FVOCI: Financial assets that are held for collection of contractual cash flows and for sell, where the assets' cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI.

(iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Group may also irrevocably designate financial assets at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

(2) Financial liabilities

The Group's financial liabilities are classified into financial liabilities at FVPL and other financial liabilities carried at amortised cost on initial recognition. Financial liabilities at FVPL is applied to derivatives, financial liabilities held for trading and financial liabilities designated as such at initial recognition.

2 Summary of material accounting policies (continued)

The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information, because:

(i) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel; or

(iii) the financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Group recognises any expenses incurred on the financial liability.

(b) Reclassification of financial assets

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in the Group reclassifying financial assets.

(c) Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using valuation technique.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices. This includes listed equity securities and quoted debt instruments on major exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

2 Summary of material accounting policies (continued)

For financial instruments not traded in active markets, fair value is determined using appropriate valuation techniques. Valuation techniques include the use of discounted cash flow analysis, and other valuation techniques commonly used by market participants. These valuation techniques include the use of observable and/or unobservable inputs.

(d) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

(1) Amortised costs

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount; (iii) for financial assets, adjusted for any loss allowance. Interest income and interest expenses from these financial assets is included in "Revenue" and "Finance costs" using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses ("ECL") and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit impaired ("POCI") financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is included in "Revenue", except for:

(i) POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortised cost; and

(ii) financial assets that are not POCI but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

2 Summary of material accounting policies (continued)

(2) Fair value through other comprehensive income

Equity instruments

The equity instrument investments that are not held for trading are designated as FVOCI. When this election is used, fair value gains or losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established.

(3) Financial assets at fair value through profit or loss

Debt instruments

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the consolidated statement of profit or loss within "Other gains/(losses)" in the period in which it arises.

Equity instruments

Gains or losses on equity investments at FVPL are included in the "Other gains/(closes) or losses" in the consolidated statement of profit or loss.

(4) Financial liabilities at fair value through profit or loss

Financial liabilities at FVPL are measured at fair value with all gains or losses recognised in the profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

(i) changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognised in other comprehensive income; and;

(ii) other changes in fair value of such financial liabilities are recognised in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognises all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When the liabilities designated as at fair value through profit or loss is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to retained earnings.

2 Summary of material accounting policies (continued)

(e) Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its loans receivable carried at amortised cost.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, which are all cash shortfalls, discounted at the original effective interest rates (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures ECL of a financial instrument reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(ii) the time value of money; and

(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL models, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

Stage I: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage I.

Stage II: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit-impaired, the financial instrument is moved to Stage II. The description of how the Group determines when a significant increase in credit risk has occurred is disclosed in Note 3.

Stage III: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage III. The definition of credit-impaired financial assets is disclosed in Note 3.

Financial instruments in Stage I have their ECL measured at an amount equivalent to the ECL of the financial asset for the next 12 months ("12m ECL"). Financial instruments in Stage II or Stage III have their ECL measured at an amount equivalent to the ECL over the lifetime of the financial instruments ("Lifetime ECL"). The description of inputs, assumptions and estimation techniques used in measuring the ECL is disclosed in Note 3.

2 Summary of material accounting policies (continued)

(f) Modification of loans

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether the new terms are substantially different to the original terms.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(g) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and, where applicable, the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the consolidated statement of profit or loss.

Financial liabilities are derecognised when the related obligation is discharged, is cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

2 Summary of material accounting policies (continued)

(h) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

A financial instrument is an equity instrument if, and only if, both conditions (i) and (ii) below are met:

(i) The financial instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; and

(ii) If the financial instrument will or may be settled in the Group's own equity instruments, it is a non-derivative instrument that includes no contractual obligations for the Group to deliver a variable number of its own equity instruments; or a derivative that will be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of direct issuance expenses.

(i) Derivative financial instruments which do not qualify for hedge accounting

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of the reporting period. The method of recognising the resulting gains or losses depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. Since the derivative financial instruments entered into by the Group do not qualify for hedge accounting, changes in fair value of any derivative financial instruments are recognised immediately in the consolidated statement of profit or loss.

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the Group assesses the entire contract as described in the financial assets section above for classification and measurement purposes. Otherwise, the embedded derivatives are treated as separate derivatives when:

(1) Their economic characteristics and risks are not closely related to those of the host contract;

(2) A separate instrument with the same terms would meet the definition of a derivative; and

(3) The hybrid contract is not measured at fair value through profit or loss.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statement of profit or loss unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

2 Summary of material accounting policies (continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability at the end of the reporting period for at least 12 months after the end of the reporting period.

2 Summary of material accounting policies (continued)

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are expensed in the period in which they are incurred.

2.17 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2 Summary of material accounting policies (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(b) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2 Summary of material accounting policies (continued)

(c) Pension obligations

Employees of the Group in Hong Kong are required to participate in a defined contribution scheme as defined in mandatory provident fund scheme ("MPF Scheme"). The assets of the MPF Scheme are held separately from those of the Group under independently administered funds. Contributions to the schemes by the employers and employees are calculated as a percentage of employees' basic salaries. Under the MPF Scheme, each of the company (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. The monthly contributions of each of the employer and the employees are subject to a cap of HK$1,500 and thereafter contributions are voluntary. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

Employees of the Group in the PRC are required to participate in defined contribution retirement schemes administered and operated by municipal governments. The Group's subsidiaries in the PRC contribute funds to the retirement scheme to fund the retirement benefits of the employees which are calculated on certain percentage of the average employee salary as agreed by the municipal government. Such retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group has no further obligations for the actual payment of post-retirement benefits beyond the contributions.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group is demonstrably committed to either: (a) terminate the employment of an employee or Group of employees before the normal retirement date; or (b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.19 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.20 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

2 Summary of material accounting policies (continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2 Summary of material accounting policies (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

2.22 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in profit or loss as interest income in the revenue.

Interest income is presented as "other income" where it is earned from financial assets that are held for cash management purposes.

3 Financial risk management

Financial risk management objectives and policies

The Group's major financial instruments include loans and other receivables, financial assets and liabilities at FVPL, financial assets at FVOCI, cash and cash equivalents, time deposits with maturity over three months, other payables, third-party interests in consolidated investment funds, borrowings, bonds and notes payables and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

3 Financial risk management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in economic environment.

The Group's activities expose it primarily to the market risk of changes in interest rate, foreign currency and other prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk mainly arises from its bank deposits. At 31 December 2024, the Group's bank balances were HK$9,423,962,000 (2023: HK$9,802,750,000). A change in interest rate levels within the range foreseen by the directors for the next twelve months could have an impact on the Group.

In the opinion of the management of the Group, the Group is exposed to fair value interest rate risk as loans receivables, borrowings and bonds, notes payables and debt instrument measured at FVPL are carried at fixed interest rates in the current period. The reasonable possible shift of market interest rate will impact the expected returns and expenses. The interest rate risk to these financial assets and liabilities are considered to be significant.

The Group currently does not have a fair value hedging policy. The management of the Group monitors the related interest exposures closely to ensure the interest rate risks are maintained at an acceptable level.

As observable prices are available for debt securities and underlying investments of convertible debt securities and total return swap contracts, no sensitivity analysis has been presented solely for fair value interest rate risk. Instead, they are covered in the sensitivity analysis of price risk.

The fair values of collateralised loan obligations ("CLOs") are sensitive to interest rate levels and volatility. Although CLOs are structured to have interest rate risk hedged to some degree through the use of matched funding, there may be some difference between the timing of interest rate resets on the liabilities and assets of a CLO, which could have a negative effect on the amount of funds distributed to residual tranche holders. Furthermore, in the event of a significant increase in interest rate and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to affect the Group's cash flow, fair value of its assets and operating results adversely.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing financial assets and liabilities at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 25 basis point (2023: 25 basis point) increase or decrease represents management's assessment of the reasonably possible changes in interest rates.

3 Financial risk management (continued)

If interest rates had been 25 basis points higher and all other variables were held constant, the potential effect on the Group's post-tax profit for the year is approximately as follows:

	2024 HK$'000	*2023* HK$'000
Decrease in post-tax profit for the year	24,241	15,601

If interest rate had been 25 basis points lower and all other variables were held constant, there would be an equal and opposite impact on the Group's post-tax profit for the year.

In the opinion of the management of the Group, the sensitivity analysis is representative of the interest rate risk if the year-end exposure is assumed to reflect the exposure during the year.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Group entities have financial assets and liabilities denominated in currencies other than their respective functional currencies. Consequently, the Group is exposed to risks that the exchange rates of functional currencies relative to other currencies may change in a manner that have adverse effects on the values of the positions of the Group's financial instruments denominated in foreign currencies.

The major financial assets and liabilities of the Group that are denominated in currencies other than the functional currencies of the respective Group entities include loans and other receivables, financial assets at FVPL, financial assets at FVOCI, cash and cash equivalents, bonds and notes payables, other payables and lease liabilities. In addition, the Group has intra-Group balances with certain subsidiaries denominated in foreign currencies which also expose the Group to currency risk. Other than the items stated above, the management of the Group considers that the Group's exposure to foreign currency risk is insignificant as the majority of the Group's transactions are denominated in the functional currencies of each individual Group entity.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposures and will consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The management of the Group does not expect significant foreign currency risk arising from the exchange rate fluctuations between HK$ and US$ in view of the HK$ pegged system to the US$. Accordingly, no sensitivity analysis has been prepared for US$ denominated monetary items.

3 Financial risk management (continued)

The table below indicates the potential effect on post-tax profit and other comprehensive income arising from a 5% appreciation or depreciation of RMB spot and forward foreign exchange rates against HKD on the net positions of foreign currency monetary assets and liabilities and derivative instruments in the consolidated statement of financial position.

	2024 HK$'000	*2023* HK$'000
Post-tax profit for the year		
- RMB	32,563	48,601
Impact on other components of equity		
- RMB	611,205	649,692

The effect on profit after tax and other comprehensive income is calculated based on the assumption that the Group's foreign currency sensitive exposures and foreign currency derivative instruments net position at the end of each reporting period remain unchanged. The Group mitigates its foreign exchange rate risk through active management of its foreign currency exposures. Such analysis does not take into account the correlation effect of changes in different foreign currencies, nor any further actions that could be taken by management to mitigate the effect of foreign exchange differences. Therefore, the sensitivity analysis above may differ from actual results occurring through changes in foreign exchange rates.

Other price risk

The Group is exposed to other price risks through its investments in equities and debt securities, convertible debt securities, total return swap contracts, short-selling of equity securities measured at FVPL and financial assets at FVOCI. Management of the Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a business team to monitor the price changes and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price changes at the reporting date. If the prices of respective investments had been 10% higher/lower for listed equity securities and 5% higher/lower for other investments, assuming all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2024 would increase/decrease by approximately HK$1,195,313,000 (2023: HK$1,148,532,000); and the Group's fair value reserve for the year ended 31 December 2024 would increase/decrease by approximately HK$6,941,000 (2023: HK$4,734,000).

In the opinion of management of the Group, the sensitivity analysis is representative of the price risk if the year end exposure is assumed to reflect the exposure during the year.

3 Financial risk management (continued)

Credit risk

Credit risk represents the potential loss that may arise from a customer or counterparty's failure to meet its obligations when due. The Group's major credit risks arise from its loans and receivables.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Measurement of ECL

The Group applies the ECL model to calculate loss allowances for its financial instruments carried at amortised cost and debt instruments measured at FVOCI.

Methods applied by the Group in assessing the expected credit losses of its financial assets include ECL model based on risk parameters and the discounted cash flow ("DCF") model.

The Group assesses ECL in light of forward-looking information and uses models and assumptions in calculating the expected credit losses. These models and assumptions relate to the future macroeconomic conditions and the borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). In assessing the expected credit risks in accordance with accounting standards, the Group uses judgments, assumptions and estimates where appropriate, including:

- Parameters for measuring ECL
- Criteria for significant increase in credit risk and default definition
- Definition of credit-impaired financial asset
- Forward-looking information
- Estimation of future cash flows

Parameters for measuring ECL

According to whether there is a significant increase in credit risk and whether a financial asset has become credit-impaired, the Group recognises an impairment allowance based on the expected credit loss for the next 12 months or the entire lifetime of the financial asset. The key parameters of ECL measurement include probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The Group establishes its PD model, LGD model and EAD model based on the internal rating based system as currently used for its risk management purpose, in accordance with the requirements of HKFRS 9. In 2024, management of the Group has taken into account the current economic environment market forecasts for coming years and loss pattern during the historical crisis. Management has also made reference to the economic forecasts by the government and other credit agencies.

3 Financial risk management (continued)

The parameters are defined as follows:

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months ("12m PD"), or over the remaining lifetime ("Lifetime PD") of the obligation;
- EAD is based on the amounts the Group expects to be owed at the time of default the next 12 months ("12m EAD").
- LGD represents the Group's expectation of the extent of loss on defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default ("EAD"). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if default occurs over the remaining expected lifetime of the loan.

Criteria for significant increase in credit risk ("SICR") and default definition

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. For the purpose of staging assessment of its financial assets, the Group thoroughly considers various reasonable and supportable information that may reflect whether or not there has been a significant change in their credit risk, including forward-looking information. Key factors considered include:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group sets quantitative and qualitative criteria to determine whether or not the credit risk of a financial instrument has increased significantly since its initial recognition. The criteria include changes in the borrower's PD, changes in its credit risk classification and other factors. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3 Financial risk management (continued)

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The Group recognises a financial instrument as having low credit risk if its internal rating is consistent with the globally accepted definition for low credit risk.

The definition of default refers to the failure to pay the debt as agreed in the contract, or other violations of the debt contract and have a significant impact on the normal debt repayment. For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due.

Definition of credit-impaired financial asset

The criteria adopted by the Group to determine whether a credit impairment occurs under HKFRS 9 is consistent with the internal credit risk management objectives for relevant financial instrument, in addition to consideration of quantitative and qualitative indicators. In assessing whether a borrower has become credit-impaired, the Group mainly considers the following factors:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event in relation to interest or principal payment;
- The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The borrower is overdue for more than 90 days in any principal, advances, interest due to the Group.

The credit impairment of a financial asset may be caused by the combined effect of multiple events rather than any single discrete event.

Forward-looking information

The assessment of whether or not there has been a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various portfolio. External information includes economic data such as the cumulative growth rate of Gross Domestic Product ("GDP"), Consumer Price Index ("CPI"), and fixed assets investment - cumulative year on year ("FV _INV").

3 Financial risk management (continued)

The impact of these economic indicators on the PDs and the LGDs varies from one portfolio to another. The Group comprehensively considers internal and external data, expert forecasts and statistical analyses to determine the correlation between these economic indicators and the PDs and LGDs. The Group assess and forecasts these economic indicators at least on an annual basis, calculates the best estimates for the future, and regularly reviews and assesses results.

For debt investments, the Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

The Group has concentration of credit risk towards its loans receivables, receivables from immediate holding company and other related parties, other receivables, deposits with brokers, debt securities and convertible debt securities entered into by the Group. The credit risk on bank balances and wealth management products is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group divides its loan portfolio into five categories including "pass", "special mentioned", "substandard", "doubtful" and "loss", based on the credit quality of the portfolio with reference to the regulator's guidelines and alignment with the regulation of parent company COAMC. Management will assess the debtors' repayment capacity to assign the credit rating on a regular basis.

The estimated loss rates for each class of financial assets are estimated based on historical observed default rates over the expected life of the respective class of financial assets and are adjusted for forward-looking information that is available without undue cost or effort. The internal credit rating for individual financial assets is regularly reviewed by the management to ensure relevant information about specific financial assets is updated. The Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of loan receivables at the end of each reporting period to ensure that adequate impairment provision for losses are made for expected credit losses. In this regard, the Group considers that the Group's credit risk is significantly reduced.

Bank balances and deposits with financial institutions are placed with various authorised institutions. Accordingly, the Group considers the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group has concentration of credit risk on receivables from immediate holding company and other related parties. The Group considers the credit risk on these receivables is not significant after assessing holding company and other related parties' financial background and creditability.

3 Financial risk management (continued)

The Group invested in debt securities, convertible debt securities and total return swap contracts. The credit risk of these instruments are monitored by the Group regularly. The fair value of certain convertible debt securities and the total return swap were estimated by independent professional valuers.

The Group also invested in CLO equity tranches which are subject to potential non-payment risk. The Group will be in a first loss position with respect to realised losses on the collateral in each CLO investment. The directors of the Company seek to provide diversification in terms of underlying assets' geography and CLO managers. The maximum loss that the Group can incur on CLOs is limited to the fair value of these CLOs as disclosed in Note 19. The underlying loans are made up of a variety of credit ratings including investment grade, non-investment grade and junk status.

The tables below detail the credit risk exposures of the Group's financial assets at amortised cost which are subject to ECL assessment:

		2024		*2023*	
	12m or lifetime ECL	*Gross carrying amount* HK$'000	*Net carrying amount* HK$'000	*Gross carrying amount* HK$'000	*Net carrying amount* HK$'000
Loan receivables	12m ECL (note 1)	7,031,189	6,776,873	6,326,296	6,155,450
	Lifetime ECL (not credit-impaired) (note 1)	1,653,255	1,420,074	3,871,682	3,755,024
	Lifetime ECL (credit-impaired)	7,073,104	4,887,698	6,707,033	5,046,608
Interest receivables	12m ECL (Note 1)	85,156	85,156	244,032	244,032
Dividend receivables	12m ECL (Note 2)	462	462	176	176
Receivables from immediate holding company	12m ECL (Note 3)	5,529,036	5,529,036	5,680,789	5,680,789
Receivables from related parties	12m ECL (Note 3)	3,356,924	3,356,924	99,758	99,758
Deposits with brokers and broker receivables	12m ECL (Note 4)	440,714	440,714	456,032	456,032
Bank balances	12m ECL (Note 5)	9,423,962	9,423,962	9,802,750	9,802,750
Other receivables	12m ECL (Note 6)	794,486	776,734	941,053	923,301
	Lifetime ECL (credit-impaired)	4,353,991	3,592,114	4,245,051	3,674,828

Notes:

1 The ECL of the loan and interest receivables of stage I and stage II are assessed by reference to the probability of default ("PD") and loss given default ("LGD") for the relevant internal credit rating assessments made by the Group and adjusted for forward-looking factors that are available without undue cost or effort.

3 Financial risk management (continued)

2 There is no concentration of credit risk with respect to dividend receivables. The ECL allowance is immaterial.

3 For receivables from the immediate holding company and related parties, the credit risk is limited since majorities of counterparties are subsidiaries of COAMC, which is the ultimate holding company of the Group. COAMC is a state-owned large-scale non-banking financial institution jointly established by the MOF and the National Council for Social Security Fund. The ECL allowance is immaterial.

4 Deposits with brokers and broker receivables were mainly from reputable large brokers and financial institutions with the credit rating of A issued by Standard & Poor's. They have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12m ECL. The ECL of these balances is assessed by reference to the PD and LGD for the relevant credit-rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. The ECL allowance is immaterial.

5 The credit risk on bank balances and bank deposits is limited because the counterparties are major institutional banks with credit ratings of Baa or higher assigned by international credit-rating agencies. These institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL. The ECL of the bank balances is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort. The ECL allowance is immaterial.

6 In respect of other receivables, the Group assesses the credit profile of each individual debtor by analysing many factors that influence the default probability, including (but not limited to) the counterparty's historical repayment pattern, business prospects and management, macroeconomic development, industrial and sovereign risk, and historical performance. In determining the ECL for other receivables at amortised cost, the Group has made reference to the PD and LGD together with forward-looking factors as appropriate, on an individual basis to assess whether credit risk has increased significantly since initial recognition.

The following table shows the reconciliation of loss allowances that have been recognised for loan receivables.

3 Financial risk management (continued)

	Stage I HK$'000	*Stage II* HK$'000	*Stage III* HK$'000	*Total* HK$'000
As at 1 January 2023	497,882	64,559	4,965,061	5,527,502
Changes due to financial instruments recognised as at 1 January 2023:				
- Transfer to Stage I	-	-	-	-
- Transfer to Stage II	(124,967)	155,037	(30,070)	-
- Transfer to Stage III	-	-	-	-
- Impairment losses recognised	44,353	(54,520)	748,628	738,461
- Impairment losses reversed	(241,282)	(54,339)	(464,048)	(759,669)
- Unwinding of discount	-	-	105,328	105,328
Written-off	-	-	(3,663,331)	(3,663,331)
Exchange realignment	(5,140)	5,921	(1,143)	(362)
As at 31 December 2023 and 1 January 2024	170,846	116,658	1,660,425	1,947,929
Changes due to financial instruments recognised as at 1 January 2024:				
- Transfer to Stage I	-	-	-	-
- Transfer to Stage II	-	-	-	-
- Transfer to Stage III	-	-	-	-
- Impairment losses recognised	76,814	168,082	494,264	739,160
- Impairment losses reversed	(24,469)	(46,008)	(2,260)	(72,737)
- Unwinding of discount	-	-	65,763	65,763
- New financial assets originated or purchased	32,836	-	7,994	40,830
Written-off	-	(5,012)	(40,567)	(45,579)
Exchange realignment	(1,711)	(539)	(213)	(2,463)
As at 31 December 2024	254,316	233,181	2,185,406	2,672,903

The following table shows the reconciliation of loss allowances that have been recognised for other receivables.

	Stage I HK$'000	*Stage III* HK$'000	*Total* HK$'000
As at 1 January 2023	22,362	617,575	639,937
Impairment losses reversed	(428)	(46,567)	(46,995)
Exchange realignment	(4,182)	(785)	(4,967)
As at 31 December 2023 and1 January 2024	17,752	570,223	587,975
Impairment losses recognised	-	193,022	193,022
Exchange realignment	-	(1,368)	(1,368)
As at 31 December 2024	17,752	761,877	779,629

3 Financial risk management (continued)

The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI. The loss allowance for debt investments at FVOCI as at 31 December reconciles to the opening loss allowance as follows:

	HK$'000
As at 1 January 2023	163,826
Increase in loan loss allowance recognised in profit or loss during the year	211,362
As at 31 December 2023 and1 January 2024	375,188
Decrease in loan loss allowance recognised in profit or loss during the year	(2,198)
As at 31 December 2024	372,990

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay.

Analysis of the undiscounted contractual cash flows

The tables below present the undiscounted cash flows of financial liabilities by remaining contractual maturities at the end of each reporting period. The Group's derivatives will be settled on net basis.

Liquidity tables

	On demand or less than 1 year HK$'000	*1 year to 5 years* HK$'000	*Over 5 years* HK$'000	*Total undiscounted cash flows* HK$'000	*Carrying amount at 31December* HK$'000
2024					
Other payables	6,838,571	-	-	6,838,571	6,838,571
Financial liabilities at FVPL	13,014	-	-	13,014	13,014
Third-party interests in consolidated investment funds	31,948	-	-	31,948	31,948
Borrowings	14,316,445	2,465,212	-	16,781,657	16,460,548
Bonds and notes payables	12,927,287	34,202,456	2,408,281	49,538,024	43,477,628
Lease liabilities	42,438	36,471	-	78,909	74,146
Derivatives	42	-	-	42	42
	34,169,745	36,704,139	2,408,281	73,282,165	66,895,897

3 Financial risk management (continued)

	On demand or less than 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31December HK$'000
2023	6,755,482	-	-	6,755,482	6,755,482
Other payables					
Financial liabilities at FVPL	206,951	-	-	206,951	206,951
Third-party interests in consolidated investment funds	50,013	-	-	50,013	50,013
Borrowings	11,810,769	2,168,972	-	13,979,741	13,710,159
Bonds and notes payables	17,329,202	23,608,762	8,929,276	49,867,240	44,410,990
Lease liabilities	42,168	64,129	10,641	116,938	107,201
Derivatives	10,278	-	-	10,278	10,278
	36,204,863	25,841,863	8,939,917	70,986,643	65,251,074

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

4 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost arising from loans and other receivables, is an area that requires the use of model and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 3.

(b) Classification of investments

The Group invests in different assets, including equities, loans, interests in partnerships, unit trusts and other collective investment vehicles. The Group may have certain voting powers in these assets and may be able to exercise controls, joint controls or significant influences over these assets.

The Group applied critical judgements in determining the classifications of these investments. The Group has assessed the voting rights owned by the Group and other owners of the assets, covering areas such as the scopes of its decision-making over the relevant activities, rights held by investors and others, removal and liquidation rights, quorum of meetings, veto rights and other relevant factors related to decision-making powers and has applied critical judgements in determining the classifications of these assets into different categories including subsidiaries, joint ventures, associates and financial assets. A substantial or majority ownership by the Group does not necessarily indicate that the Group has control, joint control or significant influence over the relevant asset.

4 Critical accounting estimates and judgements (continued)

(c) Fair value estimation of financial instruments not quoted in an active market

The Group holds financial instruments that are not listed and are not traded in active markets. The Group employs a number of valuation methods and makes assumptions and judgements that are based on market or investment conditions existing at the reporting date. These investments are valued based on valuation techniques considered appropriate by the Group or valuers appointed by the Group, which may include an income approach using discounted cash flows model, referencing to recent comparable transactions and referencing to the underlying asset value of the financial instruments.

When using valuation techniques to determine the fair value of financial instruments, the Group would choose the input value in consistent with market participants, considering the transactions of related assets and liabilities. All related observable market parameters are considered in priority, including interest rate, foreign exchange rate, commodity prices and share prices or index. When related observable parameters are unavailable or inaccessible, the Group uses unobservable parameters and makes estimates for credit risks, market volatility and liquidity adjustments.

(d) Taxation

There are certain transactions and activities in the ordinary course of the Group's business for which the ultimate tax effect is uncertain. The Group made certain estimation and judgement for items of uncertainty in the application of tax legislations, taking into account existing tax legislation and past practice of tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially estimated, based on management's assessment, such differences will affect the current income tax and deferred income tax during the period in which such a determination is made.

Deferred tax assets relating to certain temporary differences is recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

5 Revenue

Revenue represents interest income arising from the provision of financing to investee companies by the Group.

6 Other income

	2024	*2023*
	HK$'000	HK$'000
Bank interest income	220,116	104,893
Rental income from investment properties	48,350	99,592
Others	466	1,952
	268,932	206,437

7 Other gains or losses

	2024	*2023*
	HK$'000	HK$'000
Net realised and unrealised gains/(losses) (including dividend and interest income) of:		
- financial assets at FVPL	1,979,188	1,652,065
- financial liabilities at FVPL	(37,277)	455,150
Gain on disposal of investment in an associate	298,702	-
Fair value changes from investment in an associate measured at FVPL (Note 18)	113,876	(806,695)
Net foreign exchange gain/(loss)	59,767	(68,855)
	2,414,256	1,231,665

8 Impairment losses, net

	2024	*2023*
	HK$'000	HK$'000
Impairment losses, net of reversal:		
Loan receivables	(707,253)	21,208
Other receivables	(193,022)	46,995
Financial assets at FVOCI	2,198	(211,362)
	(898,077)	(143,159)

9 Profit for the year

	2024 HK$'000	*2023* HK$'000
Profit for the year is arrived at after charging:		
Auditor's remuneration	6,219	6,128
Depreciation of equipment	732	1,081
Depreciation of investment properties	44,859	89,718
Depreciation of right-of-use assets	40,808	42,399
Staff costs		
- salaries and allowances	91,793	111,007
- other employee benefit expenses	49,657	37,821
Legal and professional expenses	29,293	40,022
Finance costs (Note)	2,806,780	2,467,856

Note: Finance costs represent interest incurred on the Group's borrowings and bonds and notes payables and lease liabilities.

10 Directors' remuneration

Remuneration of the directors disclosed pursuant to the Hong Kong Companies Ordinance is as follows:

	2024 HK$'000	*2023* HK$'000
Fees	-	-
Salaries and allowances	5,691	6,336
	5,691	6,336

There were no other key management personnel other than the directors of the Company during the current year.

11 Taxation

(a) Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of Group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

For subsidiaries established in the PRC, the Enterprise Income Tax is calculated at 25% of the relevant income for both years.

Pursuant to the Enterprise Income Tax Law in the PRC and the Detailed Implementation Rules, distributions of the profits earned by the subsidiaries established in the PRC since 1 January 2008 to holding companies incorporated in Hong Kong are subject to withholding tax at the applicable tax rate of 5%.

11 Taxation (continued)

	2024 HK$'000	*2023* HK$'000
Current income tax		
- Hong Kong profits tax	53,650	(260,389)
- Overseas taxation	98,583	89,180
Deferred tax	67,191	161,360
	219,424	(9,849)

(b) The reconciliation between the income tax and the product of profit before tax multiplied by the domestic tax rates applicable to profits of the consolidated entities is as follows:

	2024 HK$'000	*2023* HK$'000
Profit before tax from continuing operations	336,795	228,014
Tax calculated at domestic tax rates applicable to profits in the respective countries	84,988	158,658
Tax effect of income that is not taxable	(280,912)	(292,158)
Tax effect of expenses that are not deductible	2,739	99,351
Tax losses and other temporary differences for which no deferred income tax asset was recognised	458,658	426,034
Overprovision in prior years	(114,320)	(401,835)
Effect of different tax rate	(165)	(165)
Others	68,436	266
Income tax	219,424	(9,849)

12 Dividend

No interim dividend for ordinary shareholders of the Company was recognised as distribution during the years ended 31 December 2024 and 2023.

No final dividend was paid or proposed during both years, nor has any final dividend been proposed since the end of the reporting period.

13 Equipment

	Furniture, fittings and equipment HK$'000	*Vehicles* HK$'000	*Total* HK$'000
Cost			
At 1January 2023	55,259	5,612	60,871
Additions	550	-	550
Disposals	(620)	-	(620)
Exchange realignment	(33)	(23)	(56)
At 31 December 2023 and 1 January 2024	55,156	5,589	60,745
Additions	2,151	312	2,463
Disposals	(647)	-	(647)
Exchange realignment	395	(324)	71
At 31 December 2024	57,055	5,577	62,632
Depreciation			
At 1January 2023	53,283	4,602	57,885
Charged for the year	821	260	1,081
Disposals	(436)	-	(436)
Exchange realignment	(26)	(23)	(49)
At 31 December 2023 and 1 January 2024	53,642	4,839	58,481
Charged for the year	585	147	732
Disposals	(99)	-	(99)
Exchange realignment	36	(319)	(283)
At 31 December 2024	54,164	4,667	58,831
Net book amounts			
At 31 December 2024	2,891	910	3,801
At 31 December 2023	1,514	750	2,264

14 Other assets

	2024 HK$'000	*2023* HK$'000
Foreclosed assets	2,857,860	2,908,747
Others	150	150
	2,858,010	2,908,897

15 Investment properties

The investment properties are located in the PRC and their net book value are analysed as follows:

	HK$'000
Cost	
At 1January 2023	2,595,531
Exchange realignment	(33,949)
At 31 December 2023 and 1 January 2024	2,561,582
Transfer by capital distribution	(2,561,582)
At 31 December 2024	-
Depreciation	
At 1January 2023	60,545
Charged for the year	89,718
Exchange realignment	(881)
At 31 December 2023 and 1 January 2024	149,382
Charged for the year	44,859
Transfer by capital distribution	(194,241)
At 31 December 2024	-
Net book amounts	
At 31 December 2024	-
At 31December 2023	2,412,200

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using cost model and were classified and accounted for as investment properties.

(i) Amounts recognised in profit or loss for investment properties

	2024 HK$'000	*2023* HK$'000
Rental income from operating leases	48,350	99,592
Direct operating expenses from property that generated rental income	-	8,485

As at 31 December 2024 and 2023, the Group had no significant contractual obligations for future repairs and maintenance of the investment properties.

In 31 May 2024, the Group transferred the investment properties to its immediate holding company by way of capital distribution.

16 Leases

(i) Amounts recognised in the statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 HK$'000	*2023* HK$'000
Right-of-use assets		
As at 1 January	107,221	60,579
Additions	-	84,384
Depreciation charge	(40,808)	(42,399)
Exchange realignment	6,209	4,657
As at 31 December	72,622	107,221
Lease liabilities		
Current	40,022	39,117
Non-current	34,124	68,084
	74,146	107,201

(ii) Amounts recognised in consolidated statement of profit or loss

	2024 HK$'000	*2023* HK$'000
Depreciation charge of right-of-use assets	40,808	42,399
Interest expenses	2,837	2,712

The total cash outflow for leases in 2024 was HK$36,390,000 (2023: HK$53,233,000).

(iii) The Group's leasing activities and how these are accounted for

For both years, the Group leases offices for its operations. Lease contracts are entered into for a fixed term of three to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease arrangements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in note 3.

17 Deferred taxation

(i) Deferred tax assets and liabilities recognised:

The following are the Group's major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

Deferred tax assets

	Fair value adjustments of financial assets at FVPL HK$'000	*Impairment on loan receivables* HK$'000	*Tax loss* HK$'000	*Total* HK$'000
As at 1 January 2023	442,280	256,335	153,430	852,045
Credit/(debit) to profit or loss	(28,357)	(156,286)	(30,196)	(214,839)
Exchange realignment	(5,118)	(9,241)	(2,007)	(16,366)
As at 31 December 2023 and 1 January 2024	408,805	90,808	121,227	620,840
Credit/(debit) to profit or loss	(3,613)	32,774	(99,611)	(70,450)
Exchange realignment	(1,086)	(416)	(2,122)	(3,624)
As at 31 December 2024	404,106	123,166	19,494	546,766

Deferred tax liabilities

	Fair value adjustments of financial assets at FVPL HK$'000
At 1 January 2023	396,467
Debit to profit or loss	(53,479)
Exchange realignment	(17,445)
At 31 December 2023 and 1 January 2024	325,543
Debit to profit or loss	(3,259)
Disposal of subsidiaries	(17,662)
Exchange realignment	(4,353)
At 31 December 2024	300,269

Deferred income tax liabilities of HK$84,354,000 (2023: HK$321,756,000) in respect of unremitted earnings of approximately HK$6,697,270,000 as at 31 December 2024 (2023: HK$6,435,116,000), have not been recognised for the withholding tax as the Group controls the dividend policy of these subsidiaries.

17 Deferred taxation (continued)

(ii) Reconciliation to the consolidated statement of financial position

	2024 HK$'000	2023 HK$'000
Net deferred tax asset in the consolidated statement of financial position	527,627	583,995
Net deferred tax liability in the consolidated statement of financial position	281,130	288,698
	246,497	295,297

18 Interests in associates and joint ventures

Set out below are the principal associates and joint ventures of the Group as at 31 December 2024 and 2023. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/country of incorporation	% of ownership interest 2024 %	2023 %	Nature of relationship
COS Greater China Special Situation Fund, L.P. (the "Partnership")	Cayman Islands	40.00	40.00	Associate (a)
Cos-Portman US Real Estate Fund, L.P. ("Portman")	Cayman Islands	96.75	96.75	Associate (b)
Dongxing Securities (Hong Kong) Company Limited ("Dongxing")	Hong Kong	5.48	5.48	Associate (c)
南京颐乐置业有限公司 ("南京颐乐")	PRC	54.08	54.08	Associate (d)
露笑科技股份有限公司 ("露笑科技")	PRC	10.52	10.52	Associate (e)
Orient Energy Opportunity Investment Limited Partnership Fund	Cayman Islands	64.26	64.26	Joint Venture (f)
111 Murray Owner LLC	USA	61.91	61.91	Joint Venture (g)
RXR VAF 61 Broadway Investor LP ("RXR")	USA	49.00	49.00	Joint Venture
China Orient Yun fan Credit Fund II L.P. ("Yunfan II")	Cayman Islands	51.98	51.98	Joint Venture
COS General Growth Fund L.P.	USA	90.00	90.00	Joint Venture
石河子东兴博大股权投资合伙企业 (有限合伙)	PRC	66.67	66.67	Associate
601 W COMPANIES CHICAGO LLC	USA	21.10	21.10	Associate
CO-BB Delray Venture LLC	USA	-	85.00	Joint Venture
东方康佳一号 (珠海) 私募股权投资基金 (有限合伙)	PRC	49.95	49.95	Joint Venture

18 Interests in associates and joint ventures (continued)

Notes:

(a) As at 31 December 2024 and 2023, the Group held 100% of the holding company of the general partner of the Partnership. The holding company is referred to as "Entity A" hereafter. The Group has taken three out of seven seats in the board of directors of Entity A. In accordance with the shareholders deed entered into, any decisions for significant and relevant activities of Entity A shall be approved by at least 75% of the members of the board of directors of Entity A. In the opinion of the directors of the Company, the Group has no control over Entity A and thus the general partner, who has irrevocable power on the relevant activities of the Partnership. Based on the legal terms of the contractual arrangements, the interests in the Partnership have been classified as an associate as the Group has significant influence over the Partnership.

(b) Entity A established a joint venture with an independent third party in 2017 and the joint venture acts as the general partner of Portman. As at 31 December 2024, the Group owned 96.75% (2023: 96.75%) equity interest as a limited partner in an investment fund. In the opinion of the directors of the Company, the Group does not have control over Portman as it has no practical ability to direct the relevant activities of Portman, as the general partner of Portman, who has irrevocable power on the relevant activities of Portman. Hence Portman is only an associate of the Group. In making their judgement, the directors of the Company also considered various factors including the right to direct the relevant activities, the rights to variable returns from its involvement with Portman, and the ability to use its power to affect the returns from Portman. According to the limited partnership agreement,

- the Group has no right of removing the general partner although the appointment of a new general partner has to be approved by the Group;
- the Group is not permitted to withdraw from Portman except with the prior written consent of the general partner in its absolute discretion; and
- there is a positive correlation between the remuneration and significant exposure to variability of returns of the general partner and the return of the assets under management.

On this basis, the directors of the Company concluded that the Group has no control but significant influence on Portman and, accordingly, classified the interest in Portman as an associate.

(c) The Group invested in Dongxing for 30% of the shareholdings since 2016. In March 2018, a capital injection was made by the immediate holding company of Dongxing amounting to HK$600 million while there was no capital injection made by the Group. Therefore, the percentage of shareholding in Dongxing has been diluted to 5.48% as at 31 December 2020 and remained the same as at 31 December 2024. As the Company has a director seat out of five in the board of Dongxing, Dongxing is accounted for as the Company's associate.

18 Interests in associates and joint ventures (continued)

(d) The Group invested in 54.08% of 南京颐乐 in 2018 through two limited partnerships owned by the Group. The general partner has sole power on the relevant activities of the partnerships. The general partner of these two partnerships is an associate of the Group. In the opinion of the directors of the Company, the Group has only significant influence over these partnerships and thus 南京颐乐. Accordingly, the interests in 南京颐乐 have been classified as an associate of the Group.

(e) As of 31 December 2024, the Group held 10.52% (2023: 10.52%) of 露笑科技 and appointed two directors out of nine in the board of 露笑科技. In the opinion of the directors, the Group has significant influence over it and the interests have been accounted for as an associate of the Group. Under HKAS 28, management is allowed to elect to measure its investment at fair value instead of accounting for under the equity method if the investment is held by, or is held indirectly through, a venture capital organisation. As the investment was held by a venture capital organisation of the Group and management aims to hold this investment for a medium-term and would seek to exit upon expiration of the investment period, the Group has elected to measure this investment at fair value instead of accounting for under the equity method. Consequently, the Group elects to account for this investment as an associate measured at fair value through profit or loss. As of 31 December 2024, the fair value of the investment is HK$1,467,911,000 (2023: HK$1,378,144,000).

(f) As of 31 December 2024, the Group owned 64.26% (2023: 64.26%) equity interest as a limited partner in an investment fund. There is one other limited partner in the investment fund which holds the remaining 35.74% (2023: 35.74%) equity interest. According to the limited partnership agreement and the investment management agreement, a subsidiary of the Group was appointed as the investment manager of the investment fund. The investment manager is responsible for the day-to-day operation and investment management functions of the investment fund. Based on the legal terms of the limited partnership agreement, the removal of the General Partner of the investment fund requires an aggregate 75% or above equity interest to consent should the General Partner of the investment fund either breached its obligations under the limited partnership agreement or convicted for or whether due of fraud, wilful misconduct or gross negligence.

(g) As of 31 December 2024, the Group owned 61.91% (2023: 61.91%) equity interest in a joint venture 111 Murray.

18 Interests in associates and joint ventures (continued)

(i) Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those associates and joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not the Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Portman		*RXR*		*露笑科技*		*Chicago*	
	2024 HK$'000	*2023* HK$'000	*2024* HK$'000	*2023* HK$'000	*2024* HK$'000	*2023* HK$'000	*2024* HK$'000	*2023* HK$'000
Current assets	1,033,546	905,670	184,038	78,376	4,581,590	4,363,419	504,447	475,893
Non-current assets	-	-	3,105,600	3,232,239	6,537,946	6,226,615	8,194,171	7,730,350
Current liabilities	(1,810)	(2,865)	(119,486)	(63,037)	(2,192,628)	(2,088,217)	(369,882)	(348,945)
Non-current liabilities	-	-	(2,514,058)	(2,655,772)	(1,940,227)	(1,847,835)	(7,902,419)	(7,455,112)
Revenue	68,388	192	30,372	23,271	3,199,529	3,047,170	803,386	757,911
Profit/(loss) and total comprehensive income/(expense) for the year	(9,327)	(102,626)	(85,406)	(95,418)	85,623	81,546	(236,258)	(222,885)
Dividend received from the associates and joint ventures during the year	-	-	-	-	-	-	-	-

18 Interests in associates and joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amounts of the interests in the associates and joint ventures recognised in these consolidated financial statements:

	Portman		*RXR*		*Chicago*	
	2024 HK$'000	*2023* HK$'000	*2024* HK$'000	*2023* HK$'000	*2024* HK$'000	*2023* HK$'000
Net assets of the associates and joint ventures	1,031,736	902,805	656,094	591,807	426,317	402,186
Proportion of the Group's ownership interest in the associates and joint ventures	96.75%	96.75%	49%	49%	21.14%	21.14%
Carrying amount of the Group's interest in the associates and joint ventures	998,205	873,464	321,486	289,986	90,123	85,022

18 Interests in associates and joint ventures (continued)

Aggregate information of associates and joint ventures that are not individually material

	2024 HK$'000	*2023* HK$'000
The Group's share of (losses)/profits and other comprehensive income	(211,050)	(83,367)
Aggregate carrying amount of the Group's interests in these associates and joint ventures	3,177,473	2,358,867

Movement of interests in an associate measured at fair value

	Total HK$'000
At 1 January 2023	4,023,466
Fair value changes from investment in an associate measured at FVPL (Note 7)	(806,695)
Disposal of interest	(1,803,679)
Exchange realignment	(34,948)
At 31 December 2023 and 1 January 2024	1,378,144
Fair value changes from investment in an associate measured at FVPL (Note 7)	113,876
Exchange realignment	(24,109)
At 31 December 2024	1,467,911

19 Financial assets/liabilities at fair value through profit or loss

	2024 HK$'000	*2023* HK$'000
Financial assets measured at FVPL:		
Equity securities (Note a)	8,868,777	7,398,667
Debt and convertible debt securities	7,495,814	7,341,425
Derivatives (Note a)	1,264,375	1,411,282
Investment funds	6,780,618	6,215,742
Total return swap contracts (Note b)	783,101	769,746
Collateralised loan obligations ("CLOs") (Note c)	1,876,705	1,563,305
Wealth management products issued by banks	728,444	609,979
Distressed debt assets	1,399,260	1,116,055
	29,197,094	26,426,201
Less: non-current portion	(4,274,663)	(3,935,953)
Current portion	24,922,431	22,490,248
Financial liabilities measured at FVPL:		
Listed equity securities	13,014	142,102
Debt and convertible debt securities	-	64,849
Derivatives (Note a)	42	10,278
	13,056	217,229
Less: non-current portion	-	-
Current portion	13,056	217,229

Changes in fair values are recorded as other gains or losses in the consolidated statement of profit or loss.

Notes:

(a) As at 31 December 2024, equity securities of approximately HK$1,241,010,000 (2023: HK$1,431,081,000) have guarantee returns. The Group entered into agreements with the respective issuer/controlling shareholder of these equity securities that these issuers/controlling shareholders will guarantee the Group certain percentage of returns on the investments in these equity securities at the end of the specified periods (the "Guarantee Returns"). In addition, the Group entered into agreements with the respective issuer/controlling shareholder of certain equity securities that the Group will share with the respective issuer/controlling shareholder certain percentage of returns that exceed the Guarantee Returns. The fair values of these derivative financial assets arising from Guarantee Returns is approximately HK$290,373,000 (2023: HK$354,048,000).

19 Financial assets/liabilities at fair value through profit or loss (continued)

As at 31 December 2024 and 2023, pursuant to the investment agreements, the Group is entitled to a fixed percentage of returns on the initial investment amount for the Group's investment in an associate with a total carrying amount of approximately HK$166,088,000 (2023: HK$150,555,000). The fair values of the derivative financial assets are approximately HK$455,486,000 (2023: HK$531,139,000). The remaining balances included in the derivatives represent warrants and equity options.

In addition, as at 31 December 2024 and 2023, pursuant to the investment agreements, the parent company of the Group's investment in an associate is able to exercise an option to repurchase the shares at a designed price within the specified period. Pursuant to the agreement, the Group is required to share certain percentage of realised gains to the parent company shall the selling price exceed a specified percentage of return. The fair value of the derivatives financial assets arising from such realised gains apportionment is approximately HK$34,943,000 and recognised under "financial assets at fair value through profit or loss" (2023: HK$73,506,000).

The notional amounts of derivative financial instruments provides a basis for comparison with instruments recognised on the consolidated statement of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not therefore indicate the Group's exposure to credit or market price risks. The derivatives become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market price of the underlying assets, interest rates, credit quality or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivatives on hand depends on the extent to which instruments are favourable or unfavourable, as the aggregate fair values of derivatives can fluctuate significantly from time to time. As at 31 December 2024, the notional amount for financial assets at fair value through profit or loss is HK$868,896,000 (2023: HK$700,856,000) and the notional amount for financial liabilities at fair value through profit or loss is HK$22,720,000 (2023: HK$180,266,000).

(b) During the years ended 31 December 2024 and 2023, the Group entered into total return swap contracts with financial institutions, in which the Group is subject to interest and fair value changes of the underlying securities in these contracts and pays fixed interest to the counterparties.

(c) Balance represents the Group's investments in the CW equity tranches. The underlying investments of a CLO usually consists of debt instruments including fixed rate and floating rate bonds and loans.

20 Financial assets at fair value through other comprehensive income

	2024 HK$'000	*2023* HK$'000
Financial assets designated at FVOCI		
- Equity securities listed in Hong Kong	55,372	36,112
Debt securities listed overseas	28,082	22,458
	83,454	58,570

The above equity investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate the investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investments for long-term purposes and realising their performance potential in the long run.

21 Loans, other receivables and prepaid expenses

	2024 HK$'000	*2023* HK$'000
Loan receivables	15,757,548	16,905,011
Less: impairment allowances on loan receivables	(2,672,903)	(1,947,929)
Loan receivables, net (Note c)	13,084,645	14,957,082
Interest receivables	85,156	244,032
Dividend receivables	462	176
Receivables from immediate holding company	5,529,036	5,680,789
Receivables from related parties (Note a)	3,356,924	99,758
Deposits with brokers and broker receivables	440,714	456,032
Prepaid expenses	17,171	22,993
Other receivables (Note b)	5,148,477	5,186,104
Less: impairment allowances on other receivables (Note b)	(779,629)	(587,975)
	26,882,956	26,058,991
Less: non-current portion	(5,070,764)	(5,431,182)
Current portion	21,812,192	20,627,809

Notes:

(a) Amounts being interest-free, unsecured and repayable on demand.

(b) As at 31 December 2024, included in other receivables were receivables of approximately HK$1,127,892,000 (2023: HK$1,259,278,000) from independent third parties arising from the Group's disposals of loan receivables.

21 Loans, other receivables and prepaid expenses (continued)

(c) Loan receivables are analysed by industry as follows:

	2024 HK$'000	*2023* HK$'000
Real estate	9,398,990	9,101,069
Energy	483,633	1,043,681
Manufacturing	4,860,433	4,384,734
Media	863,931	2,230,235
Other industries	150,561	145,292
	15,757,548	16,905,011

Details of credit risk and impairment assessment are disclosed in note 3.

22 Cash and cash equivalents and other cash flow information

	2024 HK$'000	*2023* HK$'000
Amount shown in the consolidated statement of financial position	9,423,962	9,802,750
Less: Time deposits with maturity over three months	(594,323)	(329,743)
Cash and cash equivalents in the cash flow statement	8,829,639	9,473,007
Cash and cash equivalents included in assets classified as held-for-sale	24,753	36,332
	8,854,392	9,509,339

As at 31 December 2024 and 2023, the Group's cash and cash equivalents comprise cash in hand, balances with banks and short-term bank deposits carrying prevailing market interest rates with original maturities of three months or less.

As at 31 December 2024, an aggregate amount of approximately HK$3,937,238,000 (2023: HK$6,079,107,000) of the Group's cash and cash equivalents was denominated in Renminbi ("RMB") and not freely convertible into other currencies.

As at 31 December 2024, the cash and cash equivalents of approximately HK$4,519,865,000 (2023: HK$2,478,486,000) were denominated in currencies other than the functional currencies of the respective Group entities.

23 Assets classified as held for sale/Liabilities associated with assets classified as held for sale

On 28 December 2022, the Group acquired a subsidiary exclusively with a view to its subsequent disposal. The subsidiary, which is expected to be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position. The liabilities of the subsidiary classified as held for sale is also presented separately from other liabilities in the statement of financial position.

In June 2023, the Group obtained a subsidiary from a loan restructuring arrangement. The subsidiary, which is expected to be sold within twelve months, has been classified as assets held for sale and is presented separately in the consolidated statement of financial position.

Assets and liabilities of the disposal entities were classified as assets classified as held for sale and liabilities associated with assets held for sale as at 31 December 2024 and 2023.

As at 31 December 2024, management has assessed the fair value less cost to sell of all the subsidiaries classified as held for sale, no impairment was required and the subsidiaries held-for-sale were stated at net carrying value of HK$3,409,018,000 (2023:3,476,026,000).

24 Other payables and accruals

	2024 HK$'000	*2023* HK$'000
Interest payables	435,074	462,825
Payables to immediate holding company (Note)	1,785,313	1,784,754
Payables to related parties (Note)	914,007	841,518
Payroll payables	40,924	61,827
Broker payables	3,031,212	2,783,102
Other payables and accruals	672,965	883,283
	6,879,495	6,817,309

Note: Amounts being interest-free, unsecured and repayable on demand.

25 Third-party interests in consolidated investment funds

Third-party interests represent third-party investors' interests in consolidated investment funds which are reflected as liabilities since they can be put back to the Group for cash. The realisation of third-party interests in these consolidated investment funds cannot be predicted with accuracy since these represent the interests of third-party investors in consolidated investment funds that are subject to market risk and the actions of third-party investors. The non-current third-party interests in consolidated investment funds on the consolidated statement of financial position represent the interests that are restricted by a lock-up period during which the third parties cannot redeem their participating shares. As at 31 December 2024, the remaining term of the lock-up period is less than one year.

The Group involves a number of fund investments in the normal course of business, which meet the definition of 31 December 2024 unconsolidated structured entities.

The Group's investment holding interests in the unconsolidated structured entities were recognised in financial assets measured at FVPL. As at 31 December 2024, the total net asset value of unconsolidated structured entities sponsored by the Group amounted to HK$6,780,618,000 (2023: HK$6,215,742,000).

26 Borrowings

	2024 HK$'000	*2023* HK$'000
Bank borrowings – unsecured	16,460,548	13,710,159
	16,460,548	13,710,159
The carrying amount of the above borrowings is repayable:		
Within one year	14,137,654	11,604,619
More than one year (Note)	2,322,894	2,105,540
	16,460,548	13,710,159
Less: Amount due within one year shown under current liabilities	(14,137,654)	(11,604,619)
Amount shown under non-current liabilities	2,322,894	2,105,540

Note: Pursuant to the borrowing agreements and repayment schedules, the principals of the borrowings will be repaid, by instalments, starting from the drawdown dates.

Bank borrowings with an aggregate carrying amount of approximately HK$16,460,548,000 (2023: HK$13,710,158,000) were borrowings from various financial institutions.

Bank borrowings bear fixed interest rates or variable interest rates linked to the Hong Kong Interbank Offered Rate ("HIBOR"), the Secured Overnight Financing Rate ("SOFR") and the rates offered by the People's Bank of China. As at 31 December 2024, the average effective interest rate of bank borrowings is 4.41% (2023: 4.90%) per annum.

The directors consider that the carrying amounts of borrowings recognised in the consolidated financial statements approximate their fair values.

26 Borrowings (continued)

As at 31 December 2024, borrowings with an aggregate carrying amount of approximately HK$9,161,520,000 (2023: HK$7,767,368,000) were denominated in currencies other than the functional currencies of the respective Group entities.

All of the Group's banking facilities are subject to the fulfilment of covenants. Some of those relating to the Group's financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the related loans would become payable on demand. The Group did not identify any difficulties complying with the covenants. Further details of the Group's management of liquidity risk are set out in note 3. As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached (2023: $ nil).

27 Bonds and notes payables

	2024 HK$'000	*2023* HK$'000
Bonds:		
Denominated in US$, carries 3.875% semi-annual coupon, repayable in 2024 (Note a)	-	3,121,450
Denominated in US$, carries 4.5% semi-annual coupon, repayable in 2029 (Note a)	2,312,962	2,322,171
Denominated in US$, carries 2.875% semi-annual coupon, repayable in 2024 (Note b)	-	3,117,196
Denominated in US$, carries 3.5% semi-annual coupon, repayable in 2029 (Note b)	3,463,606	3,476,008
Denominated in RMB, carries 4.0% annual coupon, repayable in 2024 (Note c)	-	380,303
Denominated in RMB, carries 3.93% annual coupon, repayable in 2024 (Note d)	-	32,974
Denominated in US$, carries 1.875% semi-annual coupon, repayable in 2025 (Note e)	3,488,689	3,501,995
Denominated in US$, carries 2.75% semi-annual coupon, repayable in 2030 (Note e)	2,077,673	2,086,369
Denominated in RMB, carries 3.50% semi-annual coupon, repayable in 2026 (Note f)	518,359	1,648,512
Denominated in RMB, carries 3.95% semi-annual coupon, repayable in 2024 (Note g)	-	1,098,888
Denominated in RMB, carries 3.85% semi-annual coupon, repayable in 2024 (Note h)	-	1,647,939
Denominated in RMB, carries 2.80% semi-annual coupon, repayable in 2026 (Note i)	431,965	1,098,506
Denominated in RMB, carries 4.35% semi-annual coupon, repayable in 2024 (Note j)	-	548,991
Denominated in RMB, carries 4.78% annual coupon, repayable in 2025 (Note k)	1,619,324	1,646,418
Denominated in RMB, carries 4.48% annual coupon, repayable in 2025 (Note l)	539,523	548,564
Denominated in RMB, carries 3.90% annual coupon, repayable in 2025 (Note m)	1,617,878	1,644,585

27 Bonds and notes payables (continued)

	2024 HK$'000	*2023* HK$'000
Denominated in RMB, carries 3.68% annual coupon, repayable in 2025 (Note n)	1,078,633	1,096,545
Denominated in RMB, carries 3.20% annual coupon, repayable in 2026 (Note o)	1,618,079	-
Denominated in RMB, carries 3.10% annual coupon, repayable in 2026 (Note p)	1,078,679	-
Denominated in RMB, carries 2.38% annual coupon, repayable in 2029 (Note q)	645,451	-
Medium-term notes:		
Denominated in US$, carries 5% semi-annual coupon, repayable in 2024 (Note r)	-	3,118,790
Denominated in RMB, 5.5% semi-annual coupon, repayable in 2025 (Note s)	2,697,628	2,743,443
Denominated in US$, carries 4.5% semi-annual coupon, repayable in 2026 (Note t)	1,760,162	1,761,353
Denominated in US$, carries 4.375% semi-annual coupon, repayable in 2027 (Note u)	7,736,310	7,769,990
Denominated in US$, carries 5.5% annual coupon, repayable in 2027 (Note v)	4,242,037	-
Denominated in US$, carries 5.5% annual coupon, repayable in 2027 (Note w)	1,543,888	-
Denominated in US$, carries 5.75% annual coupon, repayable in 2029 (Note x)	5,006,782	-
	43,477,628	44,410,990
Less: non-current portion	(32,435,953)	(28,597,440)
Current portion	11,041,675	15,813,550

Notes:

(a) On 20 March 2019, the Company's wholly owned subsidiary, Joy Treasure Assets Holdings Inc. ("Joy Treasure"), issued a US$400,000,000 bond at 3.875% per annum and will mature on 20 March 2024 and a US$300,000,000 bond at 4.5% per annum and will mature on 20 March 2029, both of which are listed on the Stock Exchange of Hong Kong Limited ("HKEx").

(b) On 24 September 2019, the Company's wholly owned subsidiary, Joy Treasure, issued a US$400,000,000 bond at 2.875% per annum and will mature on 24 September 2024 and a US$500,000,000 bond at 3.5% per annum and will mature on 24 September 2029, both of which are listed on the HKEx.

27 Bonds and notes payables (continued)

(c) On 24 February 2020, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 4% per annum and will mature on 24 February 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date issuance. During the year ended 31 December 2022 the Group exercised the right to redeem principal amount of RMB654,000,000. The outstanding bond of RMB346,000,000 has a rate of 4% per annum as at 31 December 2023.

(d) On 24 March 2020, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.79% and will mature on 24 March 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance. During the year ended 31 December 2022, the Group exercised the right to redeem principal amount of RMB970,000,000. The outstanding bond of RMB30,000,000 has a rate of 3.93% per annum.

(e) On 17 November 2020, the Company's wholly owned subsidiary, Joy Treasure, issued a US$450,000,000 bond at 1.875% per annum and will mature on 17 November 2025 and a US$300,000,000 bond at 2.75% per annum and will mature on 17 November 2030, both of which are listed on the Stock Exchange of Hong Kong Limited ("HKEx").

(f) On 14 February 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.95% per annum and will mature on 14 February 2026. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance. The outstanding bond of RMB480,000,000 has a rate of 3.50% per annum.

(g) On 14 March 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.95% per annum and will mature on 14 March 2024. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(h) On 15 April 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.85% per annum and will mature on 15 April 2024.

(i) On 24 June 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.88% per annum and will mature on 24 June 2026. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance. The outstanding bond of RMB400,000,000 has a rate of 2.80% per annum.

(j) On 18 November 2022, the Company's wholly owned subsidiary, 东方中国, issued a RMB500,000,000 bond at 4.35% per annum and will mature on 18 November 2024.

27 Bonds and notes payables (continued)

(k) On 26 April 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 4.78% per annum and will mature on 26 April 2025. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(l) On 22 September 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB500,000,000 bond at 4.48% per annum and will mature on 22 September 2025.

(m) On 18 December 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.90% per annum and will mature on 17 December 2025. The bond was issued with an original maturity of four years and an option to enable the investors to procure the Group to redeem the bond after two years from the date of issuance.

(n) On 27 December 2023, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.68% per annum and will mature on 27 December 2025.

(o) On 5 February 2024, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,500,000,000 bond at 3.20% per annum and will mature on 5 February 2026.

(p) On 22 March 2024, the Company's wholly owned subsidiary, 东方中国, issued a RMB1,000,000,000 bond at 3.100% per annum and will mature on 22 March 2026.

(q) On 29 July 2024, the Company's wholly owned subsidiary, 东方中国, issued a RMB600,000,000 bond at 2.38% per annum and will mature on 29 July 2029.

On 4 September 2014, the Company's wholly owned subsidiary, Charming Light Investments Ltd. ("Charming Light"), established a US$2,000 million medium-term note programme (the "Medium-Term Notes"). During 2016 and 2017, Charming Light expanded the Medium-Term Notes to US$4,000 million and US$8,000 million, respectively. The details of medium-term notes are presented as follows:

(r) The US$400 million medium-term note at 5% due on 3 September 2024 was issued on 3 September 2014.

(s) The RMB2,500 million medium-term note at 5.5% due on 29 December 2025 was issued on 29 December 2015.

(t) The US$229 million medium-term note at 4.5% due on 21 December 2026 was issued on 21 December 2016.

(u) The US$1,000 million medium-term note at 4.375% due on 21 December 2027 was issued on 21 December 2017.

27 Bonds and notes payables (continued)

On 1 February 2024, Joy Treasure, established a US$1,400 million medium-term note program (the "Medium-term Notes). The details of medium-term notes are presented as follows:

(v) The US$550 million medium-term note at 5.5% due on 1 February 2027 was issued on 1 February 2024.

(w) The US$200 million medium-term note at 5.5% due on 1 February 2027 was issued on 5 April 2024.

(x) The US$650 million medium-term note at 5.75% due on 6 June 2029 was issued on 6 June 2024.

The Company's ultimate holding company, COAMC, provides keep well deed to all the bonds and notes payables in issue under the Medium-Term Notes.

As at 31 December 2024, the bonds and notes payables with an aggregate carrying amount of approximately HK$2,697,628,000 (2023: HK$2,743,443,000) are denominated in currencies other than the functional currencies of the respective Group entities.

28 Share capital

	Number of shares	*Share* HK$
Issued and fully paid		
At 1January 2023, 31 December 2023, 1January 2024 and 31 December 2024		
- Ordinary shares	2	2

29 Discontinued operations

	2024 HK$'000	*2023* HK$'000
Revenue	49,758	165,737
Expenses	(162,151)	(1,167,217)
Other losses	-	(607,785)
Loss before income tax	(112,393)	(1,609,265)
Income tax expense	(1,075)	67,826
Loss after income tax of discontinued operation	(113,468)	(1,541,439)
Gain on disposal of subsidiaries	-	1,465,325
Loss from discontinued operations	(113,468)	(76,114)
Other comprehensive income from discontinued operations	-	88,233
Net cash outflow from operating activities	10,828	425,514
Net cash outflow/(inflow) from investing activities	751	(26,152)
Net cash outflow from financing activities	-	(393,826)
Net decrease in cash generated by the subsidiary	11,579	5,536

30 Commitments

(i) Capital commitments

At 31 December 2024, the Group had commitments of approximately HK$1,316,334,000 (2023: HK$1,417,488,000) in respect of capital contributions to limited partnerships.

(ii) Operating lease commitments

As lessor

The investment properties are leased to tenants under operating leases with various arrangements of rental payments. The minimum lease payments receivable on leases of investment properties are as follows:

	2024 HK$'000	*2023* HK$'000
Within 1 year	-	60,785
Between 1 and 2 years	-	60,383
Between 2 and 3 years	-	60,788
Between 3 and 4 years	-	63,473
Between 4 and 5 years	-	60,670
Later than 5 years	-	61,428

31 Related party transactions

Other than as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties during the year:

	2024 HK$'000	*2023* HK$'000
Administrative expense - fellow subsidiaries	1,080	3,073

COAMC provided keep well deed to the Group for certain of its bonds and notes payables in issue during both years. Details of the securities issued are disclosed in note 27.

The Group is controlled by COAMC, which is indirectly controlled by the PRC government through the Ministry of Finance (the "MOF"). The MOF is the major shareholder of COAMC as at 31 December 2024 and 2023. For the current and prior years, the Group undertook transactions with certain entities directly or indirectly controlled by the PRC government, including but not limited to making bank deposits, receiving banking facilities, renting properties, rendering and obtaining other services. Management is of the opinion that these transactions were conducted on normal business terms and do not require separate disclosures.

32 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which includes borrowings (Note 26) and bonds and notes payables (Note 27), and equity attributable to owners of the Company, comprising issued share capital, retained earnings, other reserves and perpetual capital securities.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with capital. The Group will balance its overall capital structure through the issue of new debt and the redemption of existing debt.

33 Financial instruments

Categories of financial instruments

	2024 HK$'000	*2023* HK$'000
Financial assets		
Financial assets at FVPL/measured at FVPL		
- measured at FVPL	27,932,719	25,014,919
- derivatives	1,264,375	1,411,282
Financial assets at FVOCI		
- Equity instruments	55,372	36,112
- Debt instruments	28,082	22,458
Financial assets at amortised cost	36,289,747	35,838,748
Financial liabilities		
Financial liabilities at FVPL		
- measured at FVPL	13,056	217,229
- third-party interests in consolidated investment funds	31,948	50,013
Financial liabilities at amortised cost	66,817,671	64,938,458
Lease liabilities	74,146	107,201

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

33 Financial instruments (continued)

Fair value hierarchy

	2024				2023			
	Level 1 HK$'000	*Level 2* HK$'000	*Level 3* HK$'000	*Total* HK$'000	*Level 1* HK$'000	*Level 2* HK$'000	*Level3* HK$'000	*Total* HK$'000
Financial assets at FVOCI								
Equity securities	55,372	-	-	55,372	36,112	-	-	36,112
Debt securities	-	28,082	-	28,082	-	22,458	-	22,458
Financial assets at FVPL								
Equity securities	6,553,708	1,515,781	799,288	8,868,777	5,917,993	1,320,098	160,576	7,398,667
Derivatives	-	263,301	1,001,074	1,264,375	-	211,162	1,200,120	1,411,282
Debt and convertible debt securities	-	1,930,690	5,565,124	7,495,814	-	1,501,494	5,839,931	7,341,425
Investment funds	9,635	64,430	6,706,553	6,780,618	16,806	63,613	6,135,323	6,215,742
Total return swap contracts	-	-	783,101	783,101	-	-	769,746	769,746
CLOs	-	455,021	1,421,684	1,876,705	-	-	1,563,305	1,563,305
Wealth management products	-	133,290	595,154	728,444	-	24,387	585,592	609,979
Distressed debt assets	-	286,880	1,112,380	1,399,260	-	-	1,116,055	1,116,055
Total	6,618,715	4,677,475	17,984,358	29,280,548	5,970,911	3,143,212	17,370,648	26,484,771
Financial liabilities at FVPL								
Equity securities	(13,014)	-	-	(13,014)	(142,102)	-	-	(142,102)
Debt securities	-	-	-	-	-	(64,849)	-	(64,849)
Derivatives	-	(42)	-	(42)	-	(10,278)	-	(10,278)
Third-party interests in consolidated investment funds	-	-	(31,948)	(31,948)	-	-	(50,013)	(50,013)
Total	(13,014)	(42)	(31,948)	(45,004)	(142,102)	(75,127)	(50,013)	(267,242)

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The level of fair value measurement depends on the lowest level of input that is significant to the entire fair value measurement.

33 Financial instruments (continued)

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair values, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses valuation techniques that include inputs which are not based on observable market data to estimate the fair values of certain types of financial instruments.

For Level 3 financial instruments, the management of the Group obtains valuation quotations from counterparties or uses valuation techniques to determine the fair value, including discounted cash flow analysis, net asset value and market comparison approach, etc. The fair value of these financial instruments may be based on unobservable inputs which may have significant impact on the valuation of these financial instruments, and therefore, these assets and liabilities have been classified by the Group as Level 3. The unobservable inputs which may have impact on the valuation include weighted average cost of capital, liquidity discount, price-to-book ratio, discount rate, etc.

There were no significant transfers between Level 1 and Level 2 for the years ended 31 December 2024 and 2023.

33 Financial instruments (continued)

Fair value measurements use significant unobservable inputs (level 3). The following table presents the changes in level 3 items for the periods ended 31 December 2024:

	Equity securities HK$'000	*Derivatives* HK$'000	*Debt and convertible debt securities* HK$'000	*Investment funds* HK$'000	*Total return swap contracts* HK$'000	*CLOs* HK$'000	*Wealth management products* HK$'000	*Distressed debt assets* HK$'000	*Total assets* HK$'000	*Derivatives* HK$'000	*Third-party interests in consolidated funds* HK$'000	*Total liabilities* HK$'000
At beginning of the year	160,576	1,200,120	5,839,931	6,135,323	769,746	1,563,305	585,592	1,116,055	17,370,648	-	(50,013)	(50,013)
Total gains or losses recognised												
-in profit or loss	(2,809)	(199,046)	(263,622)	(195,582)	13,355	(258,751)	9,562	(3,675)	(900,568)	-	(1,038)	(1,038)
-in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Purchases	641,521	-	-	766,812	-	117,130	-	-	1,525,463	-	-	-
Disposals/Matured	-	-	(11,185)	-	-	-	-	-	(11,185)	-	19,103	19,103
At the end of the year	799,288	1,001,074	5,565,124	6,706,553	783,101	1,421,684	595,154	1,112,380	17,984,358	-	(31,948)	(31,948)

Fair value measurements use significant unobservable inputs (level 3). The following table presents the changes in level 3 items for the periods ended 31 December 2023:

	Equity securities HK$'000	*Derivatives* HK$'000	*Debt and convertible debt securities* HK$'000	*Investment funds* HK$'000	*Total return swap contracts* HK$'000	*CLOs* HK$'000	*Wealth management products* HK$'000	*Distressed debt assets* HK$'000	*Total assets* HK$'000	*Derivatives* HK$'000	*Third-party interests in consolidated funds* HK$'000	*Total liabilities* HK$'000
At beginning of the year	450,536	1,619,040	5,906,351	6,204,390	752,347	1,873,340	1,003,745	752,415	18,562,164	(493,979)	(39,177)	(533,156)
Total gains or losses recognised												
-in profit or loss	(113,499)	203,519	2,989	260,256	17,399	(310,035)	16,194	17,145	93,968	-	(2,424)	(2,424)
-in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Purchases	-	-	37,471	-	-	-	-	346,495	383,966	-	-	-
Disposals/Matured	(176,461)	(622,439)	(106,880)	(329,323)	-	-	(434,347)	-	(1,669,450)	493,979	(8,412)	485,567
At the end of the year	160,576	1,200,120	5,839,931	6,135,323	769,746	1,563,305	585,592	1,116,055	17,370,648	-	(50,013)	(50,013)

For financial assets at fair value through profit or loss, the total gains or losses recognised, including those for assets held at the end of reporting period, are presented in consolidated statement of profit or loss in "net realised and unrealised gains/(losses)".

33 Financial instruments (continued)

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value at 31 December 2024	*Fair value at 31 December 2023*	*Fair value hierarchy*	*Valuation techniques*	*Unobservable inputs*	*31 December 2024 Range*	*31 December 2023 Range*	*Relationship of unobservable inputs to fair value*
Financial assets at FVPL								
Equity securities	799,288	160,576	Level 3	Allocated net asset value	N/A		N/A	Directly correlated
				Discounted cash flow	Discount rate	4.12% to 12%	4.12% to 12%	Directly correlated
Derivatives	1,001,074	1,200,120	Level 3	Black Scholes Model	Share price volatility	40%	40%	Directly correlated
				Discounted cash flow	Risk adjusted discount rate	10%	10%	Indirectly correlated
				Allocated net asset value	N/A	N/A	N/A	Directly correlated
				Binomial Option Pricing Model	Risk free Rate; Volatility	2.41% 55.36%	2.41%; 55.36%	Indirectly correlated; Indirectly correlated
Debt and convertible debt securities	5,565,124	5,839,931	Level 3	Discounted cash flow	Risk adjusted discount rate	10% - 12.5%	10% - 12.5%	Indirectly correlated
				Waterfall analysis based on collateral value	Recovery ratio	20% to 60%	20% to 60%	Directly correlated
Investment funds	6,706,553	6,135,323	Level 3	Allocated net asset value	N/A	N/A	N/A	Directly correlated
Total return swap contracts	783,101	769,746	Level 3	Quotes from market makers	N/A	N/A	N/A	Directly correlated
CLOs	1,421,684	1,563,305	Level 3	Discounted cash flow	Discount rate	14%	14%	Indirectly correlated
Wealth management products	595,154	585,592	Level 3	Recent transaction price	N/A	N/A	N/A	Indirectly correlated
Distressed debt assets	1,112,380	1,116,055	Level 3	Discounted cash flow	Discount rate	9%	9%	Indirectly correlated
Financial liabilities at FVPL								
Third-party interests in consolidated investment funds	(31,948)	(50,013)	Level 3	Allocated net asset value	N/A	N/A	N/A	Directly correlated

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

33 Financial instruments (continued)

(ii) ***Fair value of the Group's financial assets and financial liabilities that are not measured at fair value***

The fair values of the Group's financial assets and financial liabilities measured at amortised cost were determined with reference to generally accepted pricing models based on a discounted cash flow analysis using prices or rates from observable current market transactions as inputs.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values, except for certain non-current borrowings, bonds and notes payables.

34 Cash flow information

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables HK$'000	*Payables to ultimate holding company, immediate holding company and related parties* HK$'000	*Lease liabilities* HK$'000	*Third-party interests in consolidate investment funds* HK$'000	*Borrowings* HK$'000	*Bonds and notes payables* HK$'000
At1 January 2024	462,825	2,626,272	107,201	50,013	13,710,159	44,410,990
Financing cash flows	(2,772,303)	73,048	(36,390)	-	2,974,024	(575,799)
Non-cash changes:						
Interest and amortisation expenses	2,744,552	-	2,837	-	-	59,391
Share of loss by third-party interests consolidated investment funds	-	-	-	(1,038)	-	-
Effect of foreign exchange rates	-	-	498	(17,027)	(223,635)	(416,954)
At 31 December 2024	435,074	2,699,320	74,146	31,948	16,460,548	43,477,628

	Interest payables HK$'000	*Payables to ultimate holding company, immediate holding company and related parties* HK$'000	*Lease liabilities* HK$'000	*Third-party interests in consolidate investment funds* HK$'000	*Borrowings* HK$'000	*Bonds and notes payables* HK$'000
At1 January 2023	494,836	2,430,208	64,215	39,177	12,841,386	42,560,737
Financing cash flows	(1,819,392)	196,064	(53,233)	-	990,847	1,828,516
Non-cash changes:						
Interest and amortisation expenses	1,784,669	-	2,712	-	-	683,187
Share of profits by third-party interests consolidated investment funds	-	-	-	(1,800)	-	-
Additions of leases	-	-	84,384	-	-	-
Effect of foreign exchange rates	2,712	-	9,123	12,636	(122,074)	(661,450)
At 31 December 2023	462,825	2,626,272	107,201	50,013	13,710,159	44,410,990

34 Cash flow information (continued)

(b) Non-cash activities

In the year ended 31 December 2024, major non-cash activities include (i) additions of right-of-use assets amounting to HK$ nil (2023: HK$84,383,000) (note 16).

35 Particulars of principal subsidiaries of the company and consolidated structured entities

General information of principal subsidiaries

The following table lists the principal subsidiaries and consolidated structured entities of the Company which, in the opinion of the directors of the Company, principally affected the results, assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Details of the principal subsidiaries directly or indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	*Place of incorporation/ registration/ operations*	*Interest held*		*Principal activities*
		2024	*2023*	
深圳祥源投资有限公司	PRC	90%	90%	Investment holding
深圳东方创业投资有限公司	PRC	100%	100%	Investment holding
深圳前海东方创业金融控股有限公司	PRC	100%	100%	Investment holding
Glory Rainbow Holdings Inc.	British Virgin Islands ("BVI")	100%	100%	Investment holding
Sino Trinity Investments Limited	Hong Kong	100%	100%	Investment holding
Sino Progress Investments Limited	Hong Kong	100%	100%	Investment holding
Sino Glister Limited	Hong Kong	100%	100%	Investment holding
Sino Gallery Limited	Hong Kong	100%	100%	Investment holding
Master Elite Limited	Hong Kong	100%	100%	Investment holding
China Orient Multi Strategy Fund	Cayman Islands	99.67%	97.60%	Investment holding
东方资产管理 (中国) 有限公司	PRC	100%	100%	Investment holding
东方弘远国际投资有限公司	PRC	100%	100%	Investment holding
China Orient International Asset Management Limited	Hong Kong	100%	100%	Financial advisory
China Orient International Fund Management Limited	Cayman Islands	100%	100%	Investment holding
Billion Capital Shine Inc.	BVI	100%	100%	Investment holding
Dorado International Investments	BVI	100%	100%	Investment holding
Blooming Rose Enterprises Corp.	BVI	100%	100%	Investment holding
Power Rider Enterprises Corp.	BVI	100%	100%	Investment holding
Bright Merit Resources Inc.	BVI	100%	100%	Investment holding
Surplus Delight Holdings Inc.	BVI	100%	100%	Investment holding
China Orient Advisors Inc.	USA	100%	100%	Management/ advisory services

35 Particulars of principal subsidiaries of the company and consolidated structured entities (continued)

Name of subsidiary	*Place of incorporation/ registration/ operations*	*Interest held* 2024	2023	*Principal activities*
Charming Light Investments Ltd.	BVI	100%	100%	Investment holding
Super Vision Resources Ltd.	BVI	100%	100%	Investment holding
Best Capital Strategies Ltd.	BVI	100%	100%	Financial advisory
Million Plus Development Inc.	BVI	100%	100%	Investment holding
Ascent Choice Holdings Limited	BVI	100%	100%	Investment holding
Optimus Prime Management Ltd.	BVI	100%	100%	Investment holding
COS Ferris 2 Co., Ltd.	Cayman Islands	100%	100%	Investment holding
Lucky Charm Development Inc.	BVI	100%	100%	Investment holding
Wisdom Mind Holdings Corp.	BVI	100%	100%	Investment holding
Chunlap Group Limited	Hong Kong	100%	100%	Investment holding
Joy Treasure Assets Holdings Inc.	BVI	100%	100%	Investment holding
Express Will Asset Holdings Inc.	BVI	100%	100%	Investment holding
China Orient Stable Income Fund SPI	Cayman Islands	100%	100%	Investment holding
China Orient Enhanced Income Fund	Cayman Islands	100%	100%	Investment holding
China Orient Multi-Asset Income Fund	Cayman Islands	100%	100%	Investment holding
Myway Developments Limited	BVI	100%	100%	Investment holding
宁波梅山保税港区东正投资合伙企业 (有限合伙)	PRC	98.8%	98.8%	Investment holding
宁波梅山保税港区东崟投资合伙企业 (有限合伙)	PRC	98.8%	98.8%	Investment holding
宁波梅山保税港区东峪投资合伙企业 (有限合伙)	PRC	98.8%	98.8%	Investment holding

36 Other reserves

	Exchange reserve HK$'000	*Fair value reserve* HK$'000	*Share of reserves of associates and joint ventures* HK$'000	*Other reserve* HK$'000	*Total* HK$'000
At 1 January 2023	(1,409,458)	(602,689)	18,294	17,975	(1,975,878)
Exchange differences on translating foreign operations	(197,699)	(1,071)	(239)	-	(199,009)
Net changes in unrealised gain on debt financial assets at fair value through other comprehensive income, net of tax	-	171,574	-	-	171,574
Net changes in unrealised gain on equity financial assets at fair value through other comprehensive income, net of tax	-	(21,066)	-	-	(21,066)
Disposals of subsidiaries	(13,027)	-	-	-	(13,027)
At 31 December 2023 and 1 January 2024	(1,620,184)	(453,252)	18,055	17,975	(2,037,406)
Exchange differences on translating foreign operations	(195,634)	936	(316)	(1,031)	(196,045)
Net changes in unrealised gain on debt financial assets at fair value through other comprehensive income, net of tax	-	3,549	-	-	3,549
Net changes in unrealised gain on equity financial assets at fair value through other comprehensive income, net of tax	-	19,260	-	-	19,260
Disposals of subsidiaries	250,886	-	-	-	250,886
At 31 December 2024	(1,564,932)	(429,507)	17,739	16,944	(1,959,756)

37 Statement of financial position and reserves of the Company

	2024 HK$'000	*2023* HK$'000
ASSETS		
Non-current assets		
Equipment	1,823	1,652
Right-of-use assets	35,627	64,129
Deferred tax assets	556,921	556,921
Investments in subsidiaries	10,311,228	9,314,853
Interests in associate	76,804	72,259
Other assets	150	150
Loans, other receivables and prepaid expenses	3,750,246	4,318,501
Financial assets at fair value through profit or loss	1,778,174	2,944,550
Financial assets at fair value through other comprehensive income	55,372	36,112
	16,566,345	17,309,127

37 Statement of financial position and reserves of the Company (continued)

	2024 HK$'000	2023 HK$'000
Current assets		
Financial assets at fair value through profit or loss	2,849,202	2,901,358
Loans, other receivables and prepaid expenses	55,336,377	50,369,908
Tax receivable	3,171	3,171
Cash and cash equivalents	4,908,405	3,149,305
	63,097,155	56,423,742
Total assets	79,663,500	73,732,869
Current liabilities		
Other payables and accruals	75,199,266	70,814,590
Financial liabilities at fair value though profit or loss	519,191	524,939
Borrowings	9,311,520	6,746,408
Lease liabilities	29,143	27,592
	85,059,120	78,113,529
Net current liabilities	(21,961,965)	(21,689,787)
Total assets less current liabilities	(5,395,620)	(4,380,660)
Non-current liabilities		
Lease liabilities	7,538	36,682
Deferred tax liabilities	18,190	18,190
	25,728	54,872
Net liabilities	(5,421,348)	(4,435,532)
EQUITY		
Share capital	-	-
Fair value reserve	(261,562)	(280,822)
Other reserve	109,857	109,857
Accumulated losses	(5,269,643)	(4,264,567)
Total deficit	(5,421,348)	(4,435,532)

Approved by the Board of Directors on 17 MAR 2025

ZHOU Jidong
Director

WANG Letian
Director

37 Statement of financial position and reserves of the Company (continued)

Movement in the Company's reserves

	Fair value reserve HK$'000	*Other reserve* HK$'000	*Accumulated losses* HK$'000	*Total* HK$'000
At 1 January 2023	(259,757)	109,857	(3,488,926)	(3,638,826)
Loss for the year	-	-	(775,641)	(775,641)
Net losses arising from fair value changes in investments at FVOCI, net of tax	(21,065)	-	-	(21,065)
Total comprehensive income for the year	(21,065)	-	(775,641)	(796,706)
At 31 December 2023 and 1 January 2024	(280,822)	109,857	(4,264,567)	(4,435,532)
Loss for the year	-	-	(1,005,076)	(1,005,076)
Net gains arising from fair value changes in investments at FVOCI, net of tax	19,260	-	-	19,260
Total comprehensive income for the year	19,260	-	(1,005,076)	(985,816)
At 31 December 2024	(261,562)	109,857	(5,269,643)	(5,421,348)

38 Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's presentation. The directors consider that such reclassifications will allow a more appropriate presentation of the Group's state of affairs and better reflect the nature of the transactions.

39 Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 17 March 2025.