



OSHIDORI
INTERNATIONAL HOLDINGS LIMITED

Incorporated in Bermuda
with limited liability
Stock Code : 622.HK

**2024
Interim
Report**

CONTENTS

	Page(s)
Corporate Information	2
Management Discussion and Analysis	3
Other Information	17
Report on Review of Interim Financial Information	23
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	25
Condensed Consolidated Statement of Financial Position	27
Condensed Consolidated Statement of Changes in Equity	28
Condensed Consolidated Statement of Cash Flows	30
Notes to the Condensed Consolidated Financial Statements	31

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. SAM Hing Cheong (*Chairman*)
Ms. WONG Wan Men
Mr. WONG Yat Fai

Independent Non-Executive Directors

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung

AUTHORISED REPRESENTATIVES

Ms. WONG Wan Men
Mr. WONG Yat Fai

AUDIT COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. YU Chung Leung (*Chairman*)

NOMINATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung (*Chairman*)

REMUNERATION COMMITTEE

Hon. CHAN Hak Kan, *S.B.S., J.P.*
Mr. HUNG Cho Sing, *B.B.S.*
Mr. LAM John Cheung-wah
Mr. SAM Hing Cheong
Ms. WONG Wan Men
Mr. YU Chung Leung (*Chairman*)

COMPANY SECRETARY

Ms. LIU Tsui Fong

LEGAL ADVISORS

(*As to Bermuda law*)
Conyers Dill & Pearman

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

25th Floor, China United Centre
28 Marble Road, North Point
Hong Kong
Telephone : (852) 3198 0622
Facsimile : (852) 2704 2181
Website : www.oshidoriinternational.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
4th Floor, North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
Hopewell Centre, 17th Floor
183 Queen's Road East, Wanchai
Hong Kong

AUDITOR

Forvis Mazars CPA Limited
(formerly known as Mazars CPA Limited)
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

STOCK CODE

Hong Kong Stock Exchange: 622

MANAGEMENT DISCUSSION AND ANALYSIS

Oshidori International Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) recorded a net loss of HK\$111.7 million for the six months ended 30 June 2024 (the “**Reporting Period**”) as compared to the net profit of HK\$11.8 million for the six months ended 30 June 2023 (the “**Previous Period**”). Such loss was mainly attributable to the combined effects of: (a) the net unrealised fair value loss on financial assets at fair value through profit or loss of HK\$42.1 million; and (b) the share of loss from associates of HK\$41.9 million.

BUSINESS REVIEW

The Group principally engages in investment holdings, tactical and/or strategical investments (including property investments), provision of financial services including the Securities and Futures Commission (the “**SFC**”) regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance.

A. Financial Services

The Group is licensed by the SFC to conduct regulated activities including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management).

Brokerage commission income generated from the Group’s securities brokerage services decrease by 66.7% to HK\$0.2 million for the Reporting Period (Previous Period: HK\$0.6 million). Interest income generated from provision of margin financing services decrease by 77.5% to HK\$4.5 million for the Reporting Period (Previous Period: HK\$20.0 million).

B. Credit and Lending Services

(i) Business Model

The Company, through its wholly owned subsidiaries, namely, Oshidori WW Resources Limited and Oshidori Citizens Money Lending Corporation Limited, conducts credit and lending business under the Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong.

The Group maintains readily available funds and equips itself with sufficient lending capacities for capturing potential business opportunities. The Group finances its credit and lending business with its existing general working capital. The Group’s credit and lending business has a unique business model with emphasis on the provision of sizeable loans to both corporate and individual clients with good financial standing and low credit risk (such as listed companies and individuals holding marketable assets).

MANAGEMENT DISCUSSION AND ANALYSIS

The Group targets a niche market of high-profile borrowers (i.e. (a) listed companies; (b) companies with well-established businesses; (c) companies or individuals holding marketable assets; and (d) individuals whose occupations are executives, businessmen or professionals) in need of sizeable loans, who have a proven track record of making repayments. The Group grants loans only to recognised and creditworthy customers. The Group grants loans only to the customers (a) who are third parties and not connected with the Group; (b) who are introduced by the Group's directors, senior management, business partners or existing/previous borrowers; and (c) whose creditworthiness and loan collateral are evaluated and approved by the credit committee (the "**Credit Committee**") of the Group.

The management team of the Group's credit and lending business comprises the Credit Committee and 2 managers. During the six months ended 30 June 2024, the Credit Committee consisted of two directors of the Group, who had over 13 years of working experience in an international banking group and around 20 years of experience in finance, investment and credit and lending industries, respectively. The Credit Committee has the power and authority to review and approve the loan applications. The Credit Committee is responsible for (i) assessing credit risks; (ii) overseeing the approval of credit applications and loan approvals; and (iii) managing customer relationships. The managers are responsible for (i) reviewing loan documentations, (ii) identifying potential problems; and (iii) recommending mitigating factors.

(ii) Internal Control Procedures

The Group has taken the following internal control measures in carrying out the credit and lending services business:

Credit risk assessment of customers

Potential customers are required to disclose and provide the Group with a list of information required for a loan application. The Group will then assess the creditworthiness of the potential customers and their repayment abilities, including legal due diligence. In particular, the following information is requested and considered as part of the process of assessing creditworthiness:

- a) the potential customers' background and statutory information;
- b) the potential customers' proof of income, including bank statements;
- c) the amount and purpose of the loan;
- d) the results of legal searches, such as litigation (or the absence of), on the potential customers; and
- e) whether the Group and the potential customers have any prior dealings and, if so, the credit history of any such prior arrangements.

In making the approval decision, the Credit Committee considers the information set out above and assesses the potential customers' credit risk, the loan-to-value ratio and the proposed interest rate. The operations of the Credit Committee are subject to review by the Executive Directors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Mechanism in determining loan terms

The request from each potential customer is unique. The loan terms are determined based on the potential customers' financial needs (e.g. type of loan, capital needs and loan tenure), credit risk assessment of potential customers and their financial repayment abilities. The loan interest rate is determined based on the result of credit risk assessment and reference to the market interest rate.

Approval process for granting loans

Application and approval process are as follows:

- a) collection of potential customer's information;
- b) preliminary loan assessment and approval (if disapproved, reject loan application and inform the potential customer);
- c) credit assessment – 3C's Assessment (i.e. character, capacity and collateral):
 - character is defined by credit and loan repayment history;
 - capacity measures income and ability to service a loan or line of credit;
 - collateral refers to asset(s) that could be leveraged for payment;
- d) determine the terms of the loan and obtain approval from the Credit Committee (if disapproved, reject loan application and inform the potential customer);
- e) prepare board minutes to approve the loan and notify the potential customer of the loan approval;
- f) prepare all relevant loan documents and explain the terms of the loan and the associated loan documents to the potential customer;
- g) execution of the relevant loan documents and prepare loan disbursement; and
- h) review and file the loan documents in the filing cabinets.

Monitoring loan repayment and recovery

The status of outstanding loan principals and interest collection is monitored by the Credit Committee, two managers and accounting department on a daily basis by reviewing daily reports. On the maturity date, the Credit Committee communicates with borrowers by phone regarding their financial conditions and source of repayment to ascertain whether borrowers have any difficulty in making their repayments on time; and the Credit Committee also reminds borrowers to make timely repayments of their loans. When borrowers request for loan extension, the Credit Committee would request the managers and accounting department to ascertain and review the borrowers' financial condition through publicly available information (such as website of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and press media, etc) so as to assess the recoverability of loans. In the event that there is no such publicly available information, the Credit Committee would request the respective borrowers for their updated financial information.

MANAGEMENT DISCUSSION AND ANALYSIS

Taking actions on delinquent loans

When a loan is overdue, the Group will contact the borrower and guarantor (if any) to remind them of the possible enforcement action(s) and timing of repayment and seeking reasons for the delay in repayment. The Group will also issue demand letter(s) to the borrowers. If the Group does not receive any favourable reply from the borrowers, the Group will instruct legal advisers to take legal actions for recovery of outstanding loan principal and accrued interest.

The action plans are determined based on the individual situation on a case by case basis. In general, the Group takes into account factors such as whether the pledged assets provided by the borrowers are sufficient in value; and whether there are any bona fide settlement offers made by the borrowers.

In case the market value of pledged assets falls below the outstanding loan amount, the Group may request the borrowers to increase the pledged assets. In case the borrowers can provide the Group with bona fide settlement proposal, the Group may consider withholding legal action against the borrowers and accept the settlement proposal in order to save legal costs and time.

(iii) Major Terms of Loans

As at 30 June 2024, the Company's credit and lending services business had 17 customers (all of them are independent third parties) and the total net loan receivables including both fixed and variable rate loan advances was HK\$514.9 million (31 December 2023: HK\$272.5 million).

Among these loan receivables, totalling HK\$14.7 million (31 December 2023: totalling HK\$14.8 million) were secured by the pledge of certain collateral and personal guarantees (31 December 2023: the pledge of certain collateral and personal guarantees), bearing interests ranging from HKD Prime Rate plus 2.75% to 9% (31 December 2023: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (31 December 2023: between 12 months and 18 months).

The remaining balance of HK\$500.2 million (31 December 2023: HK\$257.7 million) were unsecured, and bearing interests ranging from 5% to 8% (31 December 2023: 5% to 8%) per annum. Out of these unsecured loan receivables, HK\$396.3 million has contractual loan period between 9 months and 1 year, HK\$97.3 million has contractual loan period between over 1 year and 2 years, HK\$5.6 million has contractual loan period between over 2 years and 5 years and HK\$1.0 million has contractual loan period over 5 years (31 December 2023: between 3 months and 5 years and over 5 years).

During the six months period ended 30 June 2024, the Group offered attractive interest rate to borrowers (as low as 5% per annum) as special promotion and on ad hoc basis. Such interest rate was offered as a special promotion to maintain amicable business relationship with our borrowers whose credit assessment were of satisfactory results.

MANAGEMENT DISCUSSION AND ANALYSIS

Interest income from loan receivables for the Reporting Period was HK\$13.5 million (Previous Period: HK\$10.7 million), which was increased by 26.2% as compared with the Previous Period.

(iv) Top Five Borrowers

As at 30 June 2024, the loan and interest receivables from the largest borrower was HK\$58.5 million (representing approximately 11.4% of the total loan and interest receivables of the Group) while the loan and interest receivables from the five largest borrowers together was HK\$232.0 million (representing approximately 45.1% of the total loan and interest receivables of the Group).

(v) Impairment Loss on Loan Receivables

The Group has conducted an impairment assessment of the loan receivables according to the accounting standards. In accordance with “Hong Kong Financial Reporting Standard 9 – Financial Instruments”, an entity shall at the end of each reporting period measure impairment of financial assets using the expected credit loss (the “ECL”) approach, i.e. to assess how current and future economic conditions impact the amount of loss.

Bases of impairment assessment and valuations or other evidence to support the impairment assessment

For the purpose of impairment assessment, the Group has established a loan credit risk classification system. Each loan receivable was assessed individually and was classified into the following three categories of internal credit rating:

- Performing refers to loans that have not had a significant increase in credit risk and for which ECL in the next 12 months will be recognised;
- Under-Performing refers to loans that have had a significant increase in credit risk and for which the lifetime ECL will be recognised; and
- Not Performing refers to loans that have objective evidence of impairment and for which the lifetime ECL will be recognised.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the loan receivable is credit-impaired, the Group has taken into account the following factors:

- a) historical actual credit loss experience for the borrower; and
- b) financial position of the borrower by reference to its management or audited accounts and available press information adjusted for forward-looking factors that are specific to the borrower and general economic conditions of the industry in which the borrower operates.

There was no change in the estimation techniques or significant assumptions made during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Reasons for the movements in impairment provisions

According to the impairment assessment, loss allowance of HK\$20.2 million (31 December 2023: HK\$11.1 million) was recognised for the loan and interest receivables outstanding as at 30 June 2024. Details of the reasons for the increase in impairment provisions by HK\$9.1 million are set out below:

- a) during the Reporting Period, a reversal of loss allowance of HK\$0.1 million was mainly made for loan and interest receivables of HK\$3.0 million (as at 31 December 2023) upon recovery;
- b) during the Reporting Period, loss allowance of HK\$5.9 million was made for loan and interest receivables of HK\$362.7 million (as at 30 June 2024) which were classified as Performing; and
- c) during the Reporting Period, loss allowance of HK\$3.3 million was made for loan and interest receivables of HK\$146.0 million (as at 30 June 2024) (which were classified as Under-Performing) due to the failure of the borrowers to repay the loan upon maturity and the deterioration of the borrowers' financial capability.

C. Tactical and/or Strategic Investments

The Group engages in tactical and/or strategic investments of a diversified portfolio overseen by a professional investment team that holds Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) licences under the Securities and Futures Ordinance. Negative income from this segment amounted to HK\$38.1 million for the Reporting Period (Previous Period: HK\$13.0 million).

The Group's vision is to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value to the shareholders of the Company.

The Group strives to achieve excellent results and performance through the Group's tactical and/or strategic investments segment – creating value through investment selection and disposal, and demonstrates resilience in adverse market conditions. The Group has formulated a criteria to identify appropriate investments, established the basis for evaluation, and categorized such investments to reflect their significance and contribution to the Group. The holding size and holding periods are dependent upon the reasons for the acquisition, the strategic value of the investments, and the potential returns. The Group may consider realizing certain investments based on the internal resources' requirements, the increase/decrease in valuations that trigger the threshold for disposal, and the availability of alternative investment opportunities that may be superior in returns compared to existing holdings from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS

THE GROUP'S INVESTMENTS

A breakdown of the Group's investments (with a value of 5% or more of the Group's total assets) as at 30 June 2024 is set out below:

Name of investments	Number of shares held as at 30 Jun 2024	Percentage of shareholding held as at 30 Jun 2024	Unrealised gain/(loss) for the six months ended 30 Jun 2024	Unrealised gain/(loss) through other comprehensive income for the six months ended 30 Jun 2024	Dividends received for the six months ended 30 Jun 2024	Approximate % to the Group's total assets as at 30 Jun 2024	Investment cost	Fair value/carrying amount as at 30 Jun 2024
			Unrealised gain/(loss) for the six months ended 30 Jun 2024	Unrealised gain/(loss) through other comprehensive income for the six months ended 30 Jun 2024	Dividends received for the six months ended 30 Jun 2024			
Listed shares in Hong Kong								
- Shengjing Bank Co., Ltd. (stock code: 2066)	293,034,000	12.52%	(212)	(20,300)	-	6.20%	1,972,015	208,054
- ZhongAn Online P&C Insurance Co., Ltd. (stock code: 6060)	18,479,000	1.3%	-	(69,411)	-	7.48%	470,827	250,945
- Hao Tian International Construction Investment Group Limited (stock code: 1341)	246,832,000	3.24%	-	(59,240)	-	5.88%	51,835	197,466
Unlisted shares								
- Future Capital Group Limited	3,750	17.81%	-	(41,000)	-	13.94%	750,000	468,000
- Hope Capital Limited	480	22.39%	-	-	-	5.90%	291,200	198,098

The performance and prospects of such investments during the Reporting Period were as follows:

1. Shengjing Bank Co., Ltd. ("Shengjing") (Stock Code: 2066)

Shengjing and its subsidiaries principally engage in the provision of corporate and personal deposits, loans and advances, settlement, treasury business and other banking services as approved by the National Financial Regulatory Administration (formerly China Banking and Insurance Regulatory Commission).

According to the annual report of Shengjing for the year ended 31 December 2023, the total assets of Shengjing amounted to RMB1,080.053 billion, the total loans and advances to customers amounted to RMB477.877 billion, the operating income amounted to RMB10.040 billion and the net profit amounted to RMB765 million.

From a long-term perspective, Shengjing appears to have good prospects and the Company considers its investment in Shengjing has strategic investment value.

MANAGEMENT DISCUSSION AND ANALYSIS

2. ZhongAn Online P & C Insurance Co., Ltd. (“ZhongAn”) (Stock Code: 6060)

ZhongAn and its subsidiaries are principally engaged in Fintech business, which provides internet insurance services and insurance information technology services to customers.

According to the interim results announcement of ZhongAn for the six months ended 30 June 2024, the total assets of ZhongAn amounted to approximately RMB43,037 million, the net assets amounted to approximately RMB20,240 million, the total income amounted to approximately RMB16,035 million and the net profit amounted to approximately RMB55 million.

From a long-term perspective, ZhongAn appears to have good prospects and the Company considers its investment in ZhongAn has strategic investment value.

3. Hao Tian International Construction Investment Group Limited (“Hao Tian”) (Stock Code: 1341)

Hao Tian and its subsidiaries principally engage in securities investment, provision of securities brokerage and financial services, asset management, rental and trading of construction machinery, provision of repair and maintenance and transportation service, property development and money lending.

According to the annual report of Hao Tian for the year ended 31 March 2024, the total assets of Hao Tian amounted to approximately HK\$2,388 million, the net assets amounted to approximately HK\$1,236 million, the total revenue amounted to approximately HK\$173 million and the net loss amounted to approximately HK\$512 million.

Pursuant to a voluntary announcement of Hao Tian dated 19 August 2024, Hao Tian has been selected and will be included as a constituent of the Hang Seng Composite Index by Hang Seng Indexes Company Limited with effect from 9 September 2024.

From a long-term perspective, Hao Tian appears to have good prospects and the Company considers its investment in Hao Tian has strategic investment value.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Future Capital Group Limited (“Future Capital”)

Future Capital was incorporated in the Cayman Islands with limited liability and it principally engages in property investments.

Hong Kong’s government has abolished all property cooling measures and eased mortgage restrictions, to stimulate the buying power of real estates and attract investors to participate in Hong Kong real estate sector.

From a long-term perspective, Future Capital appears to have good prospects and the Company considers its investment in Future Capital has strategic investment value.

5. Hope Capital Limited (“Hope Capital”)

Hope Capital was incorporated in the British Virgin Islands with limited liability. Hope Capital and its subsidiary principally engage in financial services business.

Hong Kong’s government is on a drive to attract more family offices to the city and the new capital investment entrant scheme is launched to attract more new capital to Hong Kong and strengthen the development of financial services sector in Hong Kong.

From a long-term perspective, Hope Capital appears to have good prospects and the Company considers its investment in Hope Capital has strategic investment value.

Going forward, the Group will continue to implement its corporate strategy through building a successful portfolio of investments that is resilient, sound and of value for our shareholders. Although the market sentiment is expected to gradually improve, the overall economic outlook still remains uncertain. The Group will continue to adopt prudent capital management and liquidity risk management policies and practices to preserve adequate capital to meet the challenges ahead. The Group did not have any plan for material investments or capital assets as at 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Review of Results

The Group recorded a total revenue of HK\$22.2 million for the Reporting Period, representing a decrease of 44.5% as compared with the amount of HK\$40.0 million for the Previous Period. Income from financial services segment amounted to HK\$4.7 million (Previous Period: HK\$20.8 million). Negative income from tactical and/or strategical investments segment amounted to HK\$38.1 million (Previous Period: HK\$13.0 million). Income from credit and lending services segment amounted to HK\$13.5 million (Previous Period: HK\$10.7 million).

The Group recorded a net loss of HK\$111.7 million for the Reporting Period (Previous Period: net profit of HK\$11.8 million). Such loss was mainly attributable to the combined effects of: (a) the net unrealised fair value loss on financial assets at fair value through profit or loss of HK\$42.1 million; and (b) the share of loss from associates of HK\$41.9 million. Basic and diluted loss per share for the Reporting Period were HK cents 1.81 and HK cents 1.81 respectively (Previous Period: basic and diluted earnings per share of HK cents 0.19 and HK cents 0.19 respectively). The net profit of financial services segment was HK\$0.7 million (Previous Period: HK\$14.1 million). The net loss of tactical and/or strategical investments segment was HK\$45.3 million (Previous Period: HK\$20.5 million). The net loss of credit and lending services segment was HK\$6.7 million (Previous Period: net profit of HK\$25.6 million).

Capital Structure

The Company has not conducted any equity fund raising activities during the Reporting Period. In January 2024, 75,000,000 new ordinary shares of the Company were issued pursuant to the vesting of awarded shares granted under the share award scheme adopted by the Company on 19 December 2019. As at 30 June 2024, the Company has 6,184,259,139 shares in issue.

The unaudited consolidated total asset value of the Group as at 30 June 2024 was HK\$3,356.5 million (31 December 2023: HK\$3,888.4 million). The unaudited consolidated net asset value of the Group as at 30 June 2024 was HK\$3,173.6 million (31 December 2023: HK\$3,731.0 million). The unaudited consolidated net asset value per share as at 30 June 2024 was HK\$0.51 (31 December 2023: HK\$0.61). Apart from financial assets being held by the Group for its tactical and/or strategical investments, the Group also holds substantive assets which mainly comprise tangible assets such as cash and bank balances and trade, loan and other receivables.

MANAGEMENT DISCUSSION AND ANALYSIS

Charges on Group Assets

As at 30 June 2024, the Group's borrowings included margin loans of HK\$18.2 million (31 December 2023: HK\$10.1 million) and a secured bank loan of HK\$50.3 million (31 December 2023: HK\$51.2 million). The bank loan is secured by a property, the fair value of which as at 30 June 2024 was HK\$86.5 million. The margin loans are secured by pledge of equity securities to securities brokers as collaterals, with total market value of HK\$98.9 million as at 30 June 2024 (31 December 2023: HK\$129.3 million). As at 30 June 2024, the Group's borrowings are interest bearing at HIBOR plus 1.3% per annum or at a fixed rate of 7.236% per annum (31 December 2023: HIBOR plus 1.3% per annum or at HIBOR 1 month rate plus 3.8% per annum) and repayable on demand (31 December 2023: repayable on demand).

Liquidity and Financial Resources

The Group's cash and cash equivalents as at 30 June 2024 was HK\$268.4 million (31 December 2023: HK\$348.1 million). The cash and cash equivalents and financial assets at fair value through profit or loss in aggregate as at 30 June 2024 were HK\$449.2 million (31 December 2023: HK\$572.9 million).

The liquidity of the Group remained strong with a current ratio of 6.6 as at 30 June 2024 (31 December 2023: 7.5). The Group had borrowings of HK\$50.3 million as at 30 June 2024 (31 December 2023: HK\$51.2 million) and the gearing ratio of the Group (expressed as a percentage of total borrowings over total equity) as at 30 June 2024 was 1.6% (31 December 2023: 1.4%).

Exposure to Fluctuations in Exchange Rates and Related Hedges

Save for certain bank balances that are denominated in Renminbi ("RMB") and United States dollar ("USD"), most of the Group's business transactions, assets and liabilities are denominated in Hong Kong dollar. As at 30 June 2024, the bank balances denominated in RMB and USD amounted to HK\$15.0 million and HK\$63.6 million respectively. Therefore, the Group's exposure to the risk of foreign exchange rate fluctuations is not material. For the Reporting Period, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The directors of the Company (the "Directors") will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

Capital Commitments

The Group did not have any capital commitments in respect of the acquisition of property and equipment as at 30 June 2024 (31 December 2023: Nil).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2024 (31 December 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK AND CORPORATE STRATEGY

Looking ahead, the global business and investment environment is still full of challenges and uncertainties.

The Group will continue to maintain a prudent approach in carrying out and monitoring its business, but adopt a wait and see approach in tackling the adverse environment.

Dealing with the future challenges, the Management will continue to review and adjust business strategies on a regular basis with a prudent and balanced risk management approach. The Group will focus on ensuring a healthy balance sheet.

MATERIAL TRANSACTION

On 8 May 2024, a wholly owned subsidiary of the Company entered into a memorandum of agreement with a third party in respect of the disposal of a yacht at a consideration of EUR14.6 million. The disposal was completed on 14 June 2024. For further details, please refer to the announcement of the Company dated 9 May 2024.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no major subsequent events since the end of the Reporting Period and up to the date of this Interim Report.

INTERIM DIVIDEND

The board of Directors (the “**Board**”) does not recommend the payment of any interim dividend for the Reporting Period. (Previous Period: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group employed 23 (31 December 2023: 23) full time employees for its principal activities. The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Remuneration packages consisted of salary as well as discretionary bonus. Other benefits include medical and retirement benefit and share options.

MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Reporting Period, 1,026,000 ordinary shares of the Company were repurchased on the Stock Exchange with the aggregate consideration paid (before expenses) amounting to HK\$141,288. The shares repurchased were cancelled after the Reporting Period.

Particulars of the share repurchases are as follows:

Month	Number of shares repurchased	Price paid per share		Aggregate consideration (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
June 2024	1,026,000	0.142	0.127	141,288

Save as disclosed above, there was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Reporting Period.

AUDIT COMMITTEE

The audit committee (the “**Audit Committee**”) of the Company was established in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this Interim Report, the Audit Committee comprises four Independent Non-Executive Directors. The Audit Committee is chaired by Mr. Yu Chung Leung and the members of the Audit Committee are Hon. Chan Hak Kan, Mr. Hung Cho Sing and Mr. Lam John Cheung-wah. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The interim results of the Group for the Reporting Period had not been audited, but had been reviewed by the Company's auditor, Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited) and the Audit Committee.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance. During the Reporting Period, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the Reporting Period, all Directors have complied with the required standard set out in the Model Code.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our gratitude to all staff for their devoted efforts and hard work.

Sam Hing Cheong

Executive Director and Chairman

Hong Kong, 28 August 2024

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, the interests and short positions of the directors (the “**Directors**”) and chief executives of Oshidori International Holdings Limited (the “**Company**”) in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”), as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Name of director	Nature of interests	Number of shares held (Note 1)	Number of underlying shares held (Note 1)	Total number of shares and underlying shares held	Approximate percentage of issued shares of the Company (Note 2)
Wong Wan Men	Personal interests	10,000,000	20,000,000 (Note 3)	30,000,000	0.49%

Notes:

- (1) The above interests in the shares and underlying shares of the Company were long positions. None of the Directors and chief executive of the Company had any short positions in the shares, underlying shares or debentures of the Company as at 30 June 2024.
- (2) As at 30 June 2024, the Company’s total number of issued shares was 6,184,259,139.
- (3) The 20,000,000 shares represent Wong Wan Men’s interests in share options granted by the Company. Wong Wan Men was the beneficial owner of such share options. Details of such share options are set out in the “Share Option Schemes” section below.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Save as disclosed in this Interim Report, at no time during the period ended 30 June 2024 was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors and chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors and chief executive of the Company (including any of their spouses or children under the age of 18) were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

OTHER INFORMATION

SHARE OPTION SCHEMES

(A) 2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the “**2012 Share Option Scheme**”) for the purpose of enabling the Company and its subsidiaries (the “**Group**”) to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons. The eligible persons under the 2012 Share Option Scheme include (a) any full time or part time employees of the Group and any directors of the Group; (b) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any member of the Group; (c) the trustee of any trust the principal beneficiary of which is, or any discretionary trust the discretionary objects of which include, any person referred to in (a) or (b) above; (d) a company wholly beneficially owned by any person referred to in (a) or (b) above; and (e) such other persons (or classes of persons) as the board of Directors (the “**Board**”) may in its absolute discretion determine.

The 2012 Share Option Scheme had a life of 10 years and expired on 17 May 2022. No further options shall thereafter be granted under the 2012 Share Option Scheme but all the then outstanding share options granted under the 2012 Share Option Scheme continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme. No service provider sublimit was set under the 2012 Share Option Scheme.

Details of movements in the share options of the Company granted under the 2012 Share Option Scheme during the six months ended 30 June 2024 are as follows:

Name /category of grantee	Date of grant	Number of share options			Outstanding as at 30/6/2024	Exercise price per share HK\$	Exercise period
		Outstanding as at 1/1/2024	Granted during the period	Lapsed during the period			
Directors							
Wong Wan Men	22/1/2020 (Note 1)	20,000,000	-	-	20,000,000	0.865	22/1/2020 – 21/1/2030
Sub-total		20,000,000	-	-	20,000,000		
Employees							
(In aggregate)	29/3/2019 (Note 2)	72,000,000	-	-	72,000,000	0.820	29/3/2019 – 28/3/2029
Other participants							
(In aggregate) (Note 3)	22/1/2020 (Note 1)	100,000,000	-	-	100,000,000	0.865	22/1/2020 – 21/1/2030
Total		192,000,000	-	-	192,000,000		

OTHER INFORMATION

Notes:

- (1) The closing price of the Company's shares on 21 January 2020, being the date immediately before the date on which the share options were granted, was HK\$0.86.
- (2) The closing price of the Company's shares on 28 March 2019, being the date immediately before the date on which the share options were granted, was HK\$0.80.
- (3) Other participants comprise nine (9) consultants.
- (4) The vesting period of the share options is from the date of grant until the commencement date of the exercise period.

No share options were granted, exercised, cancelled or lapsed under the 2012 Share Option Scheme during the six months ended 30 June 2024.

(B) 2022 Share Option Scheme

On 13 June 2022, the Company adopted a new share option scheme (the “**2022 Share Option Scheme**”) for the purpose of enabling the Group to (i) recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other eligible persons; (iii) motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons. The eligible persons under the 2022 Share Option Scheme include any full time or part time employees of the Group or any directors of the Group. The Board shall (subject to the provisions of the 2022 Share Option Scheme) have absolute discretion as to whether or not to grant share options to any particular eligible persons. In exercising such discretion, the Board will assess the eligibility of the eligible persons based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future.

The life span of the 2022 Share Option Scheme is 10 years commencing from 13 June 2022 and will expire on 13 June 2032. At the beginning and the end of the six months ended 30 June 2024 and as at the date of this Interim Report, the maximum number of options available for grant under the 2022 Share Option Scheme were both 610,925,913, representing 10%, 9.9% and 9.9% of the total issued shares of the Company on that dates respectively. No service provider sublimit was set under the 2022 Share Option Scheme. No share options were granted under the 2022 Share Option Scheme during the six months ended 30 June 2024.

During the six months ended 30 June 2024, no share options were granted, exercised, cancelled or lapsed under the 2022 Share Option Scheme. Also, there were no outstanding share options granted under the 2022 Share Option Scheme at the beginning and at the end of the six months ended 30 June 2024.

OTHER INFORMATION

SHARE AWARD SCHEME

The share award scheme (the “**Share Award Scheme**”) was adopted by the shareholders at a special general meeting of the Company held on 19 December 2019. The objectives of the Share Award Scheme are: (i) to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group’s existing and other new potential business; and (ii) to attract suitable personnel with relevant experience in the Group’s existing and other new potential business. The eligible participants under the Share Award Scheme are any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member as well as any customer or supplier of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group.

The Share Award Scheme will remain in force for a period of 10 years until 18 December 2029. As the Company has not sought shareholders’ approval to refresh the share award mandate since its expiry on 12 June 2023, there were no awarded shares that may be granted under the Share Award Scheme at the beginning and the end of the six months ended 30 June 2024 and as at the date of this Interim Report. No service provider sublimit was set under the Share Award Scheme. No awarded shares were granted under the Share Award Scheme during the six months ended 30 June 2024.

Details of movements in the awarded shares of the Company granted under the Share Award Scheme during the six months ended 30 June 2024 are as follows:

Name/category of grantee	Date of grant	Number of awarded shares					Outstanding as at 30/6/2024	Vesting date
		Outstanding as at 1/1/2024	Granted during the period	Vested during the period (Note 1)	Lapsed during the period	Outstanding as at 30/6/2024		
Director								
Wong Wan Men	22/1/2020	10,000,000	-	10,000,000	-	-	22/1/2024	
Other participants (in aggregate) (Note 2)	22/1/2020	85,000,000	-	65,000,000	20,000,000	-	22/1/2024	
Total		95,000,000	-	75,000,000	20,000,000	-		

Notes:

- (1) During the six months ended 30 June 2024, 75,000,000 awarded shares were vested, and were allotted to the grantees free of payment. The weighted average closing price of the Company’s shares immediately before the date on which the awarded shares were vested was HK\$0.185.
- (2) Other participants comprise nine (9) consultants.
- (3) The vesting period of the awarded shares is 4 years.

Other than disclosed above, no awarded shares were granted, vested, cancelled or lapsed under the Share Award Scheme during the six months ended 30 June 2024.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 30 June 2024, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the substantial shareholders/other persons in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Number of shareholder	Capacity	Number of ordinary shares held (Note 1)	Total	Approximate percentage of issued shares of the Company (Note 2)
Seekers Creation Limited	Beneficial owner	1,215,296,600	1,215,296,600	19.65%
Blue River Holdings Limited ("Blue River Holdings") (Note 3)	Interest of controlled corporation	465,000,000	465,000,000	7.52%
Blue River Treasury Group Limited ("Blue River Treasury") (Note 3)	Interest of controlled corporation	465,000,000	465,000,000	7.52%
Nation Cheer Investment Limited ("Nation Cheer") (Note 3)	Beneficial owner	465,000,000	465,000,000	7.52%
Lo Ki Yan, Karen ("Ms. Lo")	(i) Interest of controlled corporation (ii) Beneficial owner	571,819,000 318,000 (Note 4)	572,137,000	9.25%
Planetree International Development Limited ("PIDL")	Interest of controlled corporation	318,820,000 (Note 4)	318,820,000	5.16%
Planetree International Limited ("PIL")	Interest of controlled corporation	318,820,000 (Note 4)	318,820,000	5.16%

Notes:

- 1) All the above interests in the shares of the Company were long position.
- 2) As at 30 June 2024, the Company's total number of issued shares was 6,184,259,139.
- 3) Nation Cheer was wholly owned by Blue River Treasury which was in turn wholly owned by Blue River Holdings. Accordingly, Blue River Holdings and Blue River Treasury were deemed to be interested in the shares of the Company held by Nation Cheer.
- 4) The 318,820,000 shares of the Company comprised (a) 145,825,000 shares held by a company which was 47.84% owned by PIL; and (b) 172,995,000 shares held by certain wholly owned subsidiaries of PIL. PIL was wholly owned by PIDL which was in turn 67% owned by Ms. Lo.

The 571,819,000 shares of the Company comprised (a) 318,820,000 shares as described above; and (b) 252,999,000 shares held by certain companies of which Ms. Lo is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings.

Save as disclosed above, as at 30 June 2024, the Company has not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO.

OTHER INFORMATION

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the Company's Annual Report 2023 and up to the date of this Interim Report are set out below:

Mr. Sam Hing Cheong has become a practising solicitor and partner at Hauzen LLP with effect from 18 April 2024.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Forvis Mazars CPA Limited
富睿瑪澤會計師事務所有限公司
42nd Floor, Central Plaza
18 Harbour Road
Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話: +852 2909 5555
Fax 傳真: +852 2810 0032
Email 電郵: info@mazars.hk
forvismazars.com/hk

**forvis
mazars**

To the board of directors of
Oshidori International Holdings Limited
(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 25 to 50, which comprises the condensed consolidated statement of financial position of Oshidori International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six months period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Forvis Mazars CPA Limited
Certified Public Accountants

Hong Kong, 28 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended	
		30 June 2024 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Unaudited)
Revenue			
Advisory, commission income and other fee income		189	631
Net loss on sales of financial assets at fair value through profit or loss ("FVPL")		(78)	(2,001)
Interest income		19,301	35,199
Dividend income		2,806	6,129
Total revenue	3	22,218	39,958
Other income	4	5,391	17,907
Other net gains (losses)	5	12,647	(2,903)
Net unrealised fair value loss on financial assets at FVPL	3	(42,106)	(21,453)
(Provision) Reversal of impairment loss in respect of loan receivables, net	14(c)	(9,093)	25,042
Depreciation and amortisation expenses		(13,081)	(15,161)
Employee benefits expenses	6	(6,797)	(8,708)
Other expenses	6	(39,969)	(22,576)
Share of results of associates		(41,899)	(521)
Share of results of a joint venture		3,941	10,642
Finance costs	6	(2,676)	(8,059)
(Loss) Profit before taxation	6	(111,424)	14,168
Income tax expense	7	(240)	(2,387)
(Loss) Profit for the period		(111,664)	11,781
Other comprehensive expense:			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value change on equity investments measured at fair value through other comprehensive income ("Designated FVOCI")		(434,684)	(334,026)
Share of other comprehensive expense of an associate		(9,936)	–
Share of other comprehensive expense of a joint venture		(1,050)	–
		(445,670)	(334,026)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	Six months ended	
		30 June 2024	30 June 2023
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation to presentation currency		(91)	(2,049)
Total other comprehensive expense for the period		(445,761)	(336,075)
Total comprehensive expense for the period		(557,425)	(324,294)
		HK cents	HK cents
(Loss) Earnings per share	9		
Basic		(1.81)	0.19
Diluted		(1.81)	0.19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Non-current assets			
Property and equipment	10	14,003	130,005
Investment property		86,530	86,530
Right-of-use assets		11,411	11,856
Designated FVOCI	11	1,602,104	1,971,977
Debt investment at amortised cost	12	–	30,000
Interests in associates	13	275,174	327,009
Interests in a joint venture		167,395	164,504
Intangible assets		14,864	15,114
Other deposits		445	425
Loan receivables	14	3,623	6,521
		2,175,549	2,743,941
Current assets			
Trade, loan and other receivables	14	641,018	464,628
Income tax recoverable		1,098	2,041
Debt investment at amortised cost	12	30,000	–
Financial assets at FVPL	15	180,721	224,804
Bank balances – trust and segregated accounts		59,700	54,926
Short-term bank deposits		–	50,000
Cash and cash equivalents		268,429	348,050
		1,180,966	1,144,449
Current liabilities			
Trade and other payables	16	119,900	93,101
Lease liabilities		6,701	6,670
Income tax payable		1,056	1,016
Interest-bearing borrowings	17	50,253	51,235
		177,910	152,022
Net current assets		1,003,056	992,427
Total assets less current liabilities		3,178,605	3,736,368
Non-current liabilities			
Lease liabilities		4,985	5,323
NET ASSETS		3,173,620	3,731,045
Capital and reserves			
Share capital	18	309,213	305,463
Reserves		2,864,407	3,425,582
TOTAL EQUITY		3,173,620	3,731,045

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Attributable to equity holders of the Company								
		Share capital	Share premium	Translation reserve	Contribution surplus	Investment revaluation reserve (non-recycling)	Share option reserve	Share award reserve	Accumulated losses	Total
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	At 1 January 2024 (Audited)	305,463	194,215	(75,532)	5,682,380	(2,259,219)	107,225	80,748	(304,235)	3,731,045
	Loss for the period	-	-	-	-	-	-	-	(111,664)	(111,664)
	Other comprehensive expense									
	<i>Items that will not be reclassified to profit or loss</i>									
	Fair value change on Designated FVOCI	-	-	-	-	(434,684)	-	-	-	(434,684)
	Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	-	-	-	-	(4,199)	-	-	4,199	-
	Share of other comprehensive expense of an associate	-	-	-	-	(9,936)	-	-	-	(9,936)
	Share of other comprehensive expense of a joint venture	-	-	-	-	(1,050)	-	-	-	(1,050)
		-	-	-	-	(449,869)	-	-	4,199	(445,670)
	<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>									
	Exchange differences arising on translation to presentation currency	-	-	(91)	-	-	-	-	-	(91)
	Total other comprehensive expense for the period	-	-	(91)	-	(449,869)	-	-	4,199	(445,761)
	Total comprehensive expense for the period	-	-	(91)	-	(449,869)	-	-	(107,465)	(557,425)
	Transactions with owners:									
	<i>Contribution and distribution</i>									
	Issue of new shares upon vesting of awarded shares	19	3,750	60,000	-	-	-	(63,750)	-	-
	Lapse of awarded shares	19	-	-	-	-	-	(16,998)	16,998	-
	Total transactions with owners		3,750	60,000	-	-	-	(80,748)	16,998	-
	At 30 June 2024 (Unaudited)	309,213	254,215	(75,623)	5,682,380	(2,709,088)	107,225	-	(394,702)	3,173,620

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Attributable to equity holders of the Company								Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Translation reserve HK\$'000	Contribution surplus HK\$'000	Investment revaluation reserve (non- recycling) HK\$'000	Share option reserve HK\$'000	Share award reserve HK\$'000	Accumulated losses HK\$'000	
At 1 January 2023 (Audited)	305,463	194,215	(73,778)	5,682,380	(862,937)	107,225	60,561	(134,814)	5,278,315
Profit for the period	-	-	-	-	-	-	-	11,781	11,781
Other comprehensive expense									
<i>Items that will not be reclassified to profit or loss</i>									
Fair value change on Designated FVOCI	-	-	-	-	(334,026)	-	-	-	(334,026)
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	-	-	-	-	97,846	-	-	(97,846)	-
	-	-	-	-	(236,180)	-	-	(97,846)	(334,026)
<i>Item that is reclassified or may be reclassified subsequently to profit or loss</i>									
Exchange differences arising on translation to presentation currency	-	-	(2,049)	-	-	-	-	-	(2,049)
Total other comprehensive expense for the period	-	-	(2,049)	-	(236,180)	-	-	(97,846)	(336,075)
Total comprehensive expense for the period	-	-	(2,049)	-	(236,180)	-	-	(86,065)	(324,294)
Transactions with owners:									
<i>Contribution and distribution</i>									
Recognition of equity-settled share-based payments	-	-	-	-	-	-	10,094	-	10,094
Total transactions with owners	-	-	-	-	-	-	10,094	-	10,094
At 30 June 2023 (Unaudited)	305,463	194,215	(75,827)	5,682,380	(1,099,117)	107,225	70,655	(220,879)	4,964,115

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Six months ended	
		30 June 2024 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Unaudited)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(190,184)	218,065
INVESTING ACTIVITIES			
Dividend received		2,806	6,129
Interest received		4,340	8,287
Purchase of property and equipment	10	(55)	(5,444)
Proceeds from disposal of property and equipment	10	122,927	–
Purchase of Designated FVOCI		(88,412)	(15,251)
Proceeds from disposal of Designated FVOCI		23,601	36,634
Redemption of debt investment at amortised cost		–	70,000
Injection of fund to an associate		–	(74,700)
Dividend distribution received from an associate		–	2,243
Proceeds from disposal of an associate		–	638
Withdrawal of short-term bank deposits		50,000	–
NET CASH FROM INVESTING ACTIVITIES		115,207	28,536
FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings		(982)	(117,482)
Repayment of lease liabilities		(3,623)	(3,623)
NET CASH USED IN FINANCING ACTIVITIES		(4,605)	(121,105)
Net (decrease) increase in cash and cash equivalents		(79,582)	125,496
Cash and cash equivalents at beginning of the reporting period		348,050	368,819
Effect on exchange rate changes on cash and cash equivalents		(39)	(1,834)
Cash and cash equivalents at end of the reporting period, represented by cash and bank balances		268,429	492,481

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

Oshidori International Holdings Limited (the “**Company**”) is a public limited company incorporated in Bermuda as an exempted company and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information section to the 2024 interim report of the Company.

The Company and its subsidiaries (together the “**Group**”) principally engage in investment holdings, tactical and/or strategic investments, the provision of financial services including (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (v) investment advisory and asset management services, and the provision of credit and lending services.

Certain group entities are licensed under the Hong Kong Securities and Futures Ordinance with the following regulated activities:

- Type 1: Dealing in securities
- Type 2: Dealing in futures contracts
- Type 4: Advising on securities
- Type 6: Advising on corporate finance
- Type 8: Securities margin financing
- Type 9: Asset management

2. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 30 June 2024 (the “**Interim Financial Statements**”) are prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange. The Interim Financial Statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023. The accounting policies adopted in preparing the Interim Financial Statements are consistent with those in the preparation of the Group’s annual financial statements for the year ended 31 December 2023, except for the adoption of the new/revised standards of Hong Kong Financial Reporting Standards (“**HKFRSs**”) which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2024 as described below.

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

The adoption of these new/revised HKFRSs in the current period had no significant impacts on the results and financial position of the Group for the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment.

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

Financial services	Provision of securities brokerage, margin financing, placing and underwriting, corporate finance advisory, investment advisory and asset management services
Tactical and/or strategic investments	Investment in financial instruments
Credit and lending services	Provision of credit and lending services

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the six months ended 30 June 2024 (Unaudited)

	Financial services HK\$'000	Tactical and/or strategic investments HK\$'000	Credit and lending services HK\$'000	Consolidated HK\$'000
Revenue				
Advisory, commission income and other fee income	189	-	-	189
Net loss on sales of financial assets at FVPL	-	(78)	-	(78)
Interest income	4,547	1,304	13,450	19,301
Dividend income	-	2,806	-	2,806
Total revenue	4,736	4,032	13,450	22,218
Net unrealised fair value loss on financial assets at FVPL	-	(42,106)	-	(42,106)
Segment revenue	4,736	(38,074)	13,450	(19,888)
Segment profit (loss)	710	(45,298)	(6,693)	(51,281)
Unallocated other income				2,648
Unallocated other net gains				12,679
Share of results of associates				(41,899)
Share of results of a joint venture				3,941
Unallocated finance costs				(1,943)
Central corporate expenses				(35,569)
Loss before taxation				(111,424)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)**Segment revenue and results (Continued)***For the six months ended 30 June 2023 (Unaudited)*

	Financial services <i>HK\$'000</i>	Tactical and/ or strategical investments <i>HK\$'000</i>	Credit and lending services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue				
Advisory, commission income and other fee income	631	–	–	631
Net loss on sales of financial assets at FVPL	158	(2,159)	–	(2,001)
Interest income	20,027	4,451	10,721	35,199
Dividend income	–	6,129	–	6,129
Total revenue	20,816	8,421	10,721	39,958
Net unrealised fair value loss on financial assets at FVPL	–	(21,453)	–	(21,453)
Segment revenue	<u>20,816</u>	<u>(13,032)</u>	<u>10,721</u>	<u>18,505</u>
Segment profit (loss)	<u>14,106</u>	<u>(20,450)</u>	<u>25,554</u>	<u>19,210</u>
Unallocated other income				12,925
Unallocated other net losses				(2,864)
Share of results of associates				(521)
Share of results of a joint venture				10,642
Unallocated finance costs				(1,490)
Central corporate expenses				(23,734)
Profit before taxation				<u>14,168</u>

Segment revenue includes revenue from financial services, tactical and/or strategical investments and credit and lending services. In addition, the chief operating decision makers also consider net unrealised fair value loss on financial assets at FVPL as segment revenue.

Segment result represents the profit earned or loss incurred by each segment without allocation of certain other income, certain other net gains (losses), share of results of associates, share of results of a joint venture, certain finance costs and the central corporate expenses. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

At 30 June 2024 (Unaudited)

	Financial services <i>HK\$'000</i>	Tactical and/ or strategical investments <i>HK\$'000</i>	Credit and lending services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	211,847	1,887,738	597,783	2,697,368
Unallocated property and equipment				14,003
Investment property				86,530
Right-of-use assets				11,411
Interests in associates				275,174
Interests in a joint venture				167,395
Unallocated intangible assets				9,456
Unallocated other receivables				23,700
Income tax recoverable				1,098
Unallocated cash and cash equivalents				70,380
Consolidated assets				3,356,515
Segment liabilities	84,232	14,515	15,012	113,759
Unallocated other payables				6,141
Lease liabilities				11,686
Interest-bearing borrowings				50,253
Income tax payable				1,056
Consolidated liabilities				182,895

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3. REVENUE AND SEGMENT INFORMATION (Continued)**Segment assets and liabilities (Continued)***At 31 December 2023 (Audited)*

	Financial services <i>HK\$'000</i>	Tactical and/ or strategical investments <i>HK\$'000</i>	Credit and lending services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	342,175	2,231,598	273,908	2,847,681
Unallocated property and equipment				129,677
Investment property				86,530
Right-of-use assets				11,856
Interests in associates				327,009
Interests in a joint venture				164,504
Unallocated intangible assets				9,706
Unallocated other receivables				28,772
Income tax recoverable				2,041
Unallocated cash and cash equivalents				280,614
Consolidated assets				3,888,390
Segment liabilities	64,091	6,301	15,101	85,493
Unallocated other payables				7,608
Lease liabilities				11,993
Interest-bearing borrowings				51,235
Income tax payable				1,016
Consolidated liabilities				157,345

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

- all assets are allocated to operating and reportable segments other than certain property and equipment, investment property, right-of-use assets, interests in associates, interests in a joint venture, certain intangible assets, certain other receivables, income tax recoverable and certain cash and cash equivalents.
- all liabilities are allocated to operating and reportable segments other than certain other payables, lease liabilities, interest-bearing borrowings and income tax payable.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

4. OTHER INCOME

	Six months ended	
	30 June 2024 <i>HK\$'000</i> (Unaudited)	30 June 2023 <i>HK\$'000</i> (Unaudited)
Interest income on:		
– bank deposits	4,338	2,778
– financial assets arising from a financing arrangement	–	5,500
– others	2	9
	4,340	8,287
Property licence fee income	–	1,200
Handling fee income	145	397
Scrip fee income	64	220
Others	842	7,803
	5,391	17,907

5. OTHER NET GAINS (LOSSES)

	Six months ended	
	30 June 2024 <i>HK\$'000</i> (Unaudited)	30 June 2023 <i>HK\$'000</i> (Unaudited)
Bad debt written off	(16)	–
Gain on disposal of property and equipment	16,355	–
Gain on disposal of an associate	–	638
Gain on deemed disposal of an associate	–	125
Gain on deregistration of subsidiaries	–	1,520
Net exchange loss	(3,692)	(5,186)
	12,647	(2,903)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6. (LOSS) PROFIT BEFORE TAXATION

This is stated after charging:

	Six months ended	
	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance costs		
Interest on bank loan	1,528	1,314
Interest on other loans	–	4,621
Interest on margin financing	733	1,949
Imputed interest on lease liabilities	415	175
	2,676	8,059
Employee benefits expenses (including directors' emoluments)		
Salaries and other benefits	6,610	7,430
Retirement benefit scheme contributions	187	215
Share-based payment expenses	–	1,063
	6,797	8,708
Other expenses		
Business development expenses	1,304	484
Business registration fees, statutory fees and listing fees	1,020	1,058
Financial information charges	844	865
Handling and settlement expenses	308	405
Insurance	708	798
Investment transaction cost	261	162
Legal and professional fees	4,626	2,322
Commission on sales of property and equipment	7,999	–
Marketing expenses	7,122	5,096
Other operating expenses	3,458	2,355
Other tax expenses	12,319	–
Share-based payment expenses to service providers	–	9,031
	39,969	22,576

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

7. INCOME TAX EXPENSE

The profits tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue to be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the six months ended 30 June 2024 and 2023, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

	Six months ended	
	30 June 2024 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Unaudited)
Current tax		
Hong Kong Profits Tax		
Current period	240	2,387
Income tax expense	<u>240</u>	<u>2,387</u>

8. DIVIDENDS

The directors of the Company (the “**Directors**”) do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on (loss) profit attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period as follows:

(Loss) Earnings

	Six months ended	
	30 June 2024 HK\$'000 (Unaudited)	30 June 2023 HK\$'000 (Unaudited)
(Loss) Profit for the period attributable to equity shareholders of the Company, for the purpose of basic and diluted (loss) earnings per share	<u>(111,664)</u>	<u>11,781</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9. (LOSS) EARNINGS PER SHARE (Continued)

Number of shares

	Six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Weighted average number of ordinary shares, for the purpose of basic and diluted (loss) earnings per share (Note)	6,175,571,469	6,109,259,139

Note:

The computation of diluted loss per share for the period ended 30 June 2024 did not assume the exercise of certain share options since their assumed exercise for the period would have an anti-dilutive effect on the basic loss per share amount presented.

The computation of diluted earnings per share for the period ended 30 June 2023 did not assume the exercise of certain share options and the issue of certain shares under the share award scheme since their assumed exercise and issue for the period would have an anti-dilutive effect on the basic earnings per share amount presented.

10. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired and disposed property and equipment of approximately HK\$55,000 and HK\$106,572,000 respectively (six months ended 30 June 2023: acquired property and equipment of approximately HK\$5,444,000).

11. DESIGNATED FVOCI

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Equity securities – listed			
Listed in Hong Kong		941,273	1,220,886
Listed in the United States		35,070	30,144
	(a)	976,343	1,251,030
Equity securities – unlisted	(a)	550,541	645,727
Deferred day-one loss	(c)	75,220	75,220
		625,761	720,947
		1,602,104	1,971,977

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

11. DESIGNATED FVOCI (Continued)

Notes:

- (a) At the date of initial recognition, the Group irrevocably designated certain investments in equity securities as Designated FVOCI because these equity securities represent investments that the Group intends to hold for long-term strategic purposes.

The fair value of each investment classified as Designated FVOCI is as follows.

	Note	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Equity securities – listed			
Shengjing Bank Co., Ltd.		205,900	226,200
ZhongAn Online P & C Insurance Co., Ltd.		250,945	258,305
Hao Tian International Construction Investment Group Limited		197,466	256,705
Imagi International Holdings Limited		47,402	178,670
Others		274,630	331,150
		976,343	1,251,030
Equity securities – unlisted			
Co-Lead Holdings Limited (“Co-Lead”)	(b)	33,931	72,691
Future Capital Group Limited (“Future Capital”)	(b)	468,000	509,000
Green River Associates Limited (“Green River”)	(b)	48,610	64,036
		550,541	645,727
		1,526,884	1,896,757

- (b) At the end of the reporting period, the Group holds 7.88% (31 December 2023: 7.88%) equity interest of Co-Lead, 17.81% (31 December 2023: 17.81%) equity interest of Future Capital and 14.90% (31 December 2023: 14.90%) equity interest of Green River. Co-Lead and its subsidiaries and Green River principally engage in securities trading and investments holding business while Future Capital and its subsidiaries principally engage in property investments. During the six months ended 30 June 2024, the fair value loss on investment in Co-Lead, Future Capital and Green River of approximately HK\$38,760,000 (six months ended 30 June 2023: fair value loss of approximately HK\$1,649,000), HK\$41,000,000 (six months ended 30 June 2023: fair value loss of approximately HK\$99,000,000) and HK\$15,426,000 (six months ended 30 June 2023: fair value gain of approximately HK\$2,281,000) were recognised in other comprehensive income.
- (c) The day-one losses arising from acquisition of unlisted equity investments represents the difference between the consideration and the fair value at the initial recognition, which was determined based on valuation carried out by independent professional valuer. As the fair value determination of unlisted equity securities is not evidenced by a quoted price in an active market or based on a valuation technique that uses only data from observable markets, the day-one losses should be deferred and will be recognised to profit or loss until (i) the fair value is evidenced by a quoted price in active market, (ii) the valuation can be determined using market observable inputs or (iii) realised through settlement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

12. DEBT INVESTMENT AT AMORTISED COST

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Senior notes	30,000	30,000
Analysed as:		
Non-current	–	30,000
Current	30,000	–
	30,000	30,000

As at 30 June 2024, the Group held senior notes issued by a company listed in Hong Kong which bear interest at 9.5% (31 December 2023: 9.5%) per annum payable semi-annually and will be due on 30 June 2025 (31 December 2023: 30 June 2025).

13. INTERESTS IN ASSOCIATES

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Unlisted shares		
Shares of net assets	275,174	327,009

As at 30 June 2024, interests in associates represented the Group's interests in 22.39% and 25% (31 December 2023: 22.39% and 25%) of the issued ordinary share capital of Hope Capital Limited and HEC Securities Company Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. TRADE, LOAN AND OTHER RECEIVABLES

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Trade receivables			
Trade receivables arising from the business of securities brokerage			
		97	114
	(b)	99,165	164,937
		80	–
	(a)	99,342	165,051
Loan receivables			
Loan and interest receivables from independent third parties			
		535,070	283,634
		(20,215)	(11,122)
	(c)	514,855	272,512
		(3,623)	(6,521)
		511,232	265,991
Other receivables			
	(d)	2,799	1,878
		27,645	31,708
		30,444	33,586
	(e)	641,018	464,628

Notes:

- (a) No aging analysis by invoice date is disclosed as in the opinion of the Directors, the aging analysis does not give additional value in view of the nature of securities brokerage business. The Group offsets certain trade receivables against trade payables when the Group currently has a legally enforceable right to set off the balances; and intends to settle on a net basis or to realise the balances simultaneously.
- (b) Trade receivables from margin clients are repayable on demand and bear interests ranging from 8% to 30% (31 December 2023: 8% to 30%) per annum at the end of the reporting period. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$308,195,000 (31 December 2023: approximately HK\$461,096,000). The Group is permitted to sell or repledge the marketable securities if the customers default on the payments when requested by the Group. During the six months ended 30 June 2024 and 2023, no margin loans were granted to the Directors or directors of subsidiaries.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14. TRADE, LOAN AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (c) At the end of the reporting period, the Group's net loan receivables included both fixed and variable rate loan advances to independent third parties of which approximately HK\$14,747,000 (31 December 2023: approximately HK\$14,751,000) were secured by the pledge of certain collaterals and personal guarantees (31 December 2023: the pledge of certain collaterals and personal guarantees), bearing interests ranging from HKD Prime Rate plus 2.75% to 9% (31 December 2023: HKD Prime Rate plus 2.75% to 9%) per annum and had contractual loan period between 12 months and 18 months (31 December 2023: between 12 months and 18 months) under the Group's credit and lending services. The remaining balance included fixed rate loan advances to independent third parties of which approximately HK\$500,108,000 (31 December 2023: HK\$257,761,000) were unsecured, bearing interests ranging from 5% to 8% (31 December 2023: 5% to 8%) per annum. The contractual loan period for majority of the unsecured loan receivables from third parties is between 9 months and 5 years (31 December 2023: between 3 months and 5 years).

The amount granted to individuals and corporates depends on management's assessment of credit risk of the customers by evaluation on background checks (such as their background, financial positions for individual borrowers and their industries and financial positions for corporate borrowers) and repayment abilities. During the six months ended 30 June 2024, the Group recognised a net provision of impairment loss in respect of loan receivables of approximately HK\$9,093,000 (six months ended 30 June 2023: net reversal of impairment loss of approximately HK\$25,042,000).

Aging analysis of loan receivables (net of loss allowance) prepared based on contractual due date is as follows:

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Not yet past due	514,855	272,512

As at 30 June 2024, the Group has concentration of credit risk on loans to independent third parties as the exposure to the largest borrower and the five largest borrowers represents 11% and 45% (31 December 2023: 26% and 82%) respectively of the total loans granted by the Group within the credit and lending services segment. Management of the Group monitors the exposure from time to time to assess their recoverability.

- (d) Deposits with securities brokers represented the funds deposited with the brokers' houses for securities trading purpose.
- (e) The trade, loan and other receivables are expected to be recovered within one year, except for the deposits of approximately HK\$9,968,000 (31 December 2023: approximately HK\$10,168,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15. FINANCIAL ASSETS AT FVPL

	30 June 2024	31 December 2023
Note	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Mandatorily measured at FVPL:		
– Listed shares in Hong Kong	111,047	152,849
– Listed shares in the United States	9,167	7,098
– Unlisted investment funds (a)	60,507	64,857
	180,721	224,804

Note:

- (a) The unlisted investment funds are mainly subscribed from independent financial institutions in overseas. The portfolios of these funds mainly comprise securities listed in overseas and unlisted debt and equity securities in Asia-Pacific region. The funds are redeemable at the discretion of the Group from time to time and the intention of holding them was for short-term investment.

16. TRADE AND OTHER PAYABLES

	30 June 2024	31 December 2023
Notes	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Trade payables		
Trade payables arising from the business of securities brokerage		
– cash clients (a)	3,036	818
– margin clients (a)	58,676	54,118
– HKSCC (b)	18,470	4,613
Secured margin loans from securities brokers (c)	18,241	10,065
	98,423	69,614
Other payables		
Other payables and accrued charges	21,477	23,487
	119,900	93,101

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16. TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) Trade payables to cash and margin clients are repayable on demand. In the opinion of the Directors, no aging analysis is disclosed as the aging analysis does not give additional value.
- (b) The settlement terms of trade payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date.
- (c) For secured margin loans from securities brokers, the loans are repayable on demand (except certain balances arising from trades pending settlement or margin deposits) and are interest-bearing at a fixed rate of 7.236% per annum (31 December 2023: Hong Kong Interbank Offered Rate 1 month rate plus 3.8% per annum). The total market value of equity securities classified as financial assets at FVPL and Designated FVOCI pledged as collateral in respect of the loans was approximately HK\$98,945,000 (31 December 2023: HK\$129,266,000) as at 30 June 2024.

17. INTEREST-BEARING BORROWINGS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Secured bank loan	50,253	51,235

At the end of the reporting period, the bank loan is interest bearing at Hong Kong Interbank Offered Rate plus 1.3% (31 December 2023: Hong Kong Interbank Offered Rate plus 1.3%) per annum and secured by the Group's investment property with carrying value of HK\$86,530,000 (31 December 2023: HK\$86,530,000) and corporate guarantees provided by the Group's subsidiaries. The bank loan with a clause in their terms that gives the bank an overriding right to demand for repayment without notice or with notice period of less than 12 months at their sole discretion are classified as current liabilities even though the Directors do not expect that the banks would exercise their right to demand repayment.

The maturity terms of the bank loan based on repayment schedule pursuant to the loan facility letters (ignoring the effect of any repayment on demand clause) are as follows:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Within one year	1,964	1,964
In the second to fifth year	7,857	7,857
Over five years	40,432	41,414
	50,253	51,235

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18. SHARE CAPITAL

	Note	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.05 each (31 December 2023: HK\$0.05 each)			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024		20,000,000,000	1,000,000
Issued and fully paid:			
At 1 January 2023, 31 December 2023 and 1 January 2024		6,109,259,139	305,463
Issue of new shares upon vesting of awarded shares	19	75,000,000	3,750
At 30 June 2024		6,184,259,139	309,213

All shares issued during the period rank pari passu with the existing shares in all respects.

19. SHARE OPTION AND SHARE AWARD SCHEMES

2012 Share Option Scheme

On 17 May 2012, the Company adopted a share option scheme (the “**2012 Share Option Scheme**”) which has a life of ten years from 17 May 2012 and expired on 17 May 2022. Under the 2012 Share Option Scheme, the Board of Directors may, at their discretion, offer the eligible persons (including directors) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

During the six months ended 30 June 2024, no share options were granted, exercised or lapsed (six months ended 30 June 2023: Nil) under the 2012 Share Option Scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE OPTION AND SHARE AWARD SCHEMES (Continued)

2012 Share Option Scheme (Continued)

The following tables disclose details of the Company's share options held by eligible persons (including directors) and movement in such holdings during the six months ended 30 June 2024:

	Number of the share options					
	Outstanding at 1 January 2024	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2024	Exercisable at 30 June 2024
2012 Share Option Scheme						
Directors of the Company	20,000,000	-	-	-	20,000,000	20,000,000
Employees	72,000,000	-	-	-	72,000,000	72,000,000
Other participants	100,000,000	-	-	-	100,000,000	100,000,000
	192,000,000	-	-	-	192,000,000	192,000,000
Weighted average exercise price	HK\$0.85	-	-	-	HK\$0.85	HK\$0.85
Weighted average remaining contractual life	5.76 years				5.26 years	5.26 years

2019 Share Award Scheme

On 19 December 2019, the Company adopted a share award scheme (the "2019 Share Award Scheme") which has a life of ten years from 19 December 2019. Under the 2019 Share Award Scheme, the Board of Directors may, at their discretion, issue awarded shares to the eligible persons (including directors) of the Company or its subsidiaries subject to the terms and conditions stipulated therein. As the Company has not sought shareholders' approval to refresh the share award mandate since its expiry on 12 June 2023, there were no awarded shares that may be granted under the 2019 Share Award Scheme during the period ended 30 June 2024.

On 22 January 2020, the Company granted 95,000,000 awarded shares to 10 eligible persons under the 2019 Share Award Scheme which shall be vested on the fourth anniversary of the date of grant (i.e. 22 January 2024). The share-based payment expenses shall be recognised with reference to the fair value of the shares granted determined based on the share price of the Company at the date of grant over 4 years from the date of grant on a straight-line basis. On 22 January 2024, 75,000,000 awarded shares were vested and issued to 7 eligible persons, the share award reserve of HK\$63,750,000 in respect of issued shares was transferred to share capital and share premium. The remaining 20,000,000 unvested awarded shares were lapsed, the share award reserve of HK\$16,998,000 in respect of the unvested awarded shares was transferred to retained earnings accordingly.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19. SHARE OPTION AND SHARE AWARD SCHEMES (Continued)

2019 Share Award Scheme (Continued)

Movements of the awarded shares granted under the 2019 Share Award Scheme during the six months ended 30 June 2024 are as follows:

	Number of awarded shares				
	Unvested at 1 January 2024	Granted during the period	Vested during the period	Lapsed during the period	Unvested at 30 June 2024
2019 Share Award Scheme					
Director of the Company	10,000,000	-	(10,000,000)	-	-
Other participants	85,000,000	-	(65,000,000)	(20,000,000)	-
	95,000,000	-	(75,000,000)	(20,000,000)	-

2022 Share Option Scheme

On 13 June 2022, the Company adopted a share option scheme (the “**2022 Share Option Scheme**”) which has a life of ten years from 13 June 2022. Under the 2022 Share Option Scheme, the Board of Directors may, at their discretion, offer the eligible persons (including directors) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. At the beginning and the end of the period ended 30 June 2024, the total number of shares options available for grant under the 2022 Share Option Scheme was 610,925,913, representing 10% of the total issued shares of the Company as at the date of adoption of the scheme.

During the six months ended 30 June 2024, no share options were granted, exercised or lapsed (six months ended 30 June 2023: Nil) under the 2022 Share Option Scheme.

20. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs
	30 June 2024 (Unaudited)	31 December 2023 (Audited)		
1) Investments in listed equity securities classified as financial assets at FVPL	Listed equity securities in: - Hong Kong HK\$111,047,000 - United States HK\$9,167,000	Listed equity securities in: - Hong Kong HK\$152,849,000 - United States HK\$7,098,000	Level 1	Quoted bid prices in an active market
2) Investments in unlisted investment funds classified as financial assets at FVPL	HK\$60,507,000	HK\$64,857,000	Level 2	Determined by the external fund manager based on net asset value of the funds
3) Investments in listed equity securities classified as Designated FVOCI	Listed equity securities in: - Hong Kong HK\$941,273,000 - United States HK\$35,070,000	Listed equity securities in: - Hong Kong HK\$1,220,886,000 - United States HK\$30,144,000	Level 1	Quoted bid prices in an active market
4) Investments in unlisted equity securities classified as Designated FVOCI	HK\$550,541,000	HK\$645,727,000	Level 3	Derived from unobservable inputs for the asset or liability by the management (31 December 2023: independent professional qualified valuers or the management)
5) Investment property	HK\$86,530,000	HK\$86,530,000	Level 3	Derived from direct comparison approach with adjustment on unobservable inputs by the management (31 December 2023: an independent professional qualified valuer)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

20. FAIR VALUE MEASUREMENTS (Continued)

(a) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

There were neither transfers between Level 1 and Level 2 fair value measurement nor transfers into and out of Level 3 fair value measurement during both periods.

Note:

The fair value of the unlisted equity securities without an active market classified in Level 3 was determined by the management. The fair value of the unlisted equity securities is estimated by a number of significant unobservable inputs including the unit sale rate of underlying properties taking into account age, location and individual factors, expected assets-based multiples (e.g. enterprise value to assets), expected net assets-based multiples and adjustment for a lack of marketability associated with the investment.

Valuation process

The management of the Group is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will establish the appropriate valuation techniques and inputs to the model. Management reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

(b) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis. The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

21. RELATED PARTY TRANSACTIONS

The key management personnel are the Directors. During the six months ended 30 June 2024, the emoluments of key management personnel were HK\$1,727,000 (six months ended 30 June 2023: HK\$2,815,000).

Except for those disclosed elsewhere in these Interim Financial Statements, the Group does not have any significant related party balances as at the end of the reporting periods.