



True Partner  
Capital Holding



# Interim Report 2024

**True Partner Capital Holding Limited**

Incorporated under the laws of the Cayman Islands with limited liability

Stock code : 8657

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

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

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

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

# Corporate Overview

Established in 2010, by a team of former market makers, True Partner Capital Holding is a specialized hedge fund manager

Focused on volatility trading in liquid markets, principally in equity index futures, options and ETFs

Diversified **global investor base** across our products

**Stable and experienced management:** key personnel have worked together for almost a decade

Specialized segment of asset management with **a history of growth**

3-T Model – Combination of **advanced technology** with **experienced team** covering **specialised trading strategies**

**Global coverage** to enable **trading around the clock**, with offices in Asia, the US and Europe

The Company benefits from **proprietary technology** that shapes its trading approach and includes a range of modules and tools

Potential **growth opportunities** in adjacent market segments leveraging **scalable investment platform**

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## Corporate information

### Board of directors

#### Executive Directors

Ralph Paul Johan van Put  
*(Chairman and Chief Executive Officer)*  
 Godefriedus Jelte Heijboer  
 Tobias Benjamin Hekster  
 Roy van Bakel

#### Independent Non-executive Directors

Jeronimus Mattheus Tielman  
 Wan Ting Pai  
 Ming Tak Ngai

### Audit committee

Wan Ting Pai *(Chairwoman)*  
 Jeronimus Mattheus Tielman  
 Ming Tak Ngai

### Remuneration committee

Wan Ting Pai *(Chairwoman)*  
 Ralph Paul Johan van Put  
 Godefriedus Jelte Heijboer  
 Jeronimus Mattheus Tielman  
 Ming Tak Ngai

### Nomination committee

Wan Ting Pai *(Chairwoman)*  
 Ralph Paul Johan van Put  
 Godefriedus Jelte Heijboer  
 Jeronimus Mattheus Tielman  
 Ming Tak Ngai

### Company secretary

Siow Grace Yuet Chew  
 ACG, HKACG

### Authorised representatives

Ralph Paul Johan van Put  
 Godefriedus Jelte Heijboer

### Compliance officer

Roy van Bakel  
 (Resigned on 1 April 2024)

### Registered office in the Cayman Islands

P. O. Box 31119 Grand Pavilion  
 Hibiscus Way  
 802 West Bay Road  
 Grand Cayman KY1-1205  
 Cayman Islands

### Head office and principal place of business in Hong Kong

Suites 2902-3, 29/F Tower 2  
 The Gateway  
 Harbour City  
 Kowloon  
 Hong Kong

### Cayman Islands principal share registrar and transfer office

Appleby Global Services (Cayman)  
 Limited  
 71 Fort Street  
 PO Box 500  
 George Town  
 Grand Cayman KY1-1106  
 Cayman Islands

### Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited  
 17/F, Far East Finance Centre  
 16 Harcourt Road,  
 Hong Kong

### Legal advisers

*As to Hong Kong law:*  
 Kwok Yih & Chan

*As to Cayman Islands law:*  
 Appleby

*As to U.S. law:*  
 Thompson Coburn LLP

### Auditor

PKF Hong Kong Limited  
 Certified Public Accountants  
 26/F, Citicorp Centre  
 18 Whitfield Road  
 Causeway Bay, Hong Kong

### Principal banker

DBS Bank (Hong Kong) Limited

### Stock code

8657

### Company website

www.truepartnercapital.com  
 (contents of this website do not form part of this report)

# RESULTS

## Interim Report 2024

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together as the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”) together with the unaudited comparative figures of the corresponding period in 2023 as set out below:

## Selected financial highlights

	1H2024 (HK\$'000)	1H2023 (HK\$'000)	% Change
<b>Total Revenue</b>	<b>5,026</b>	8,690	(42)
Revenue from fund management business	<b>3,534</b>	8,372	(58)
Revenue from consultancy services	<b>840</b>	318	164
Net trading gain	<b>652</b>	-	NA
<b>Gross profit</b>	<b>4,547</b>	7,676	(41)
<b>Operating loss</b> <sup>Note 1</sup>	<b>(26,611)</b>	(29,297)	(9)
<b>Loss attributable to owners of the Company</b>	<b>(26,871)</b>	(29,704)	(10)
<b>Total comprehensive loss</b>	<b>(27,234)</b>	(29,523)	(8)
<b>Loss per share (HK cents) – Basic and diluted</b> <sup>Note 2</sup>	<b>(6.72)</b>	(7.43)	(10)

### Notes:

- Operating loss represents loss before income tax adding back fair value gain on financial assets at fair value through profit or loss, finance costs and share of results of associates.
- The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the Company of HK\$26,871,000 (2023: HK\$29,704,000), and the weighted average number of ordinary shares of 400,000,000 shares in issue during

the period. Diluted loss per share for the period ended 30 June 2024 and 2023 is the same as the basic loss per share as there were no potential ordinary shares in issue for the period ended 30 June 2024 and the effect of the conversion of the Company's share options would result in an antidilutive effect on the loss per share in 2023.

## Selected Business and Financial Highlights

- The first half of 2024 (the “**Reporting Period**”) saw a rally in global equity markets, continuing the strong gains seen in 2023, despite the fact that the priced in expectations of ample monetary policy easing did not materialize over the Reporting Period. Relevant measures of equity index implied volatility mostly saw declines over the Reporting Period, while realized volatility was generally subdued and well below long-term average levels.
- The MSCI World Total Return Hedged to US Dollars (“**MSCI World**”) had a gain of +13.8% over the Reporting Period. The MSCI World experienced strong gains in Q1 2024 (+10.2%) and a smaller rise in Q2 2024 (+3.2%). The Bloomberg Global Government Bond Index Hedged to US Dollars (“**Global Bond Index**”) was close to flat over the Reporting Period, with a gain of +0.2%, with a +0.15% rise in Q1 2024 and a +0.08% gain in Q2 2024.
- Popular measures of at-the-money implied volatility were mixed over the Reporting Period. These measures provide a snapshot of implied volatility at different points in time but are not directly tradable. The VIX index was little changed, moving from 12.45 to 12.44. A similar measure for the Euro Stoxx 50, the VSTOXX, rose from 13.6 to 18.3, while the equivalent measures in the Japanese Nikkei fell from 17.5 to 16.1 and in the Korean Kospi 200 index from 17.8 to 16.1 respectively.<sup>1</sup>
- Of the various volatility indices noted above, the VIX has the most liquid derivatives market, via VIX futures and options. The ProShares VIX Short-Term Futures ETF (“**VIX ETF**”), which systematically buys and rolls short-term VIX futures, can be seen as a proxy for the performance of continuously holding a long position in short-term VIX futures and we believe is a more informative proxy for the behaviour of volatility than the VIX index (because, as mentioned above, the VIX index is not itself directly tradable). The VIX ETF was down by -30.0% over the Reporting Period.<sup>2</sup>
- Measures of realized volatility – the actual day to day volatility of equity indices – were subdued over the Reporting Period. Annualized volatility in the MSCI World was 8.5%, approximately half its long-term average of 16.5% (measured over 2007 to 2023). Annualized volatility in the S&P 500 Total Return was 10.5%, again approximately half of its long-term average level of 20.3%.
- The backdrop over the Reporting Period would generally be expected to create a relatively challenging environment for our index volatility trading. The Group’s trading strategies are predominantly relative value in nature, but historically have seen their best performance in periods of falling equity markets and rising volatility. However, our relative value volatility strategy was able to preserve capital and to deliver a small positive return of +0.5% over the Reporting Period.<sup>3</sup> Our relative value volatility strategy also exhibited a negative correlation and beta to equity markets over the period, providing diversification benefits to investors. The worst month for the MSCI World over the Reporting Period (and the MSCI World’s only down month) was April 2024,

1. The metrics referenced are the Nikkei Stock Average Volatility Index and the Kospi 200 Volatility Index

2. Sources: Bloomberg, True Partner

3. This material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance. Returns are based on Class B shares and are shown net of fees and expenses.



which was the best month for our relative value strategy over the Reporting Period. In April 2024 our relative value strategy was up +1.4% compared to a return of -3.2% for the MSCI World.

- As we have highlighted in both positive and negative periods of performance, investment performance in any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group's products typically focus on long-term investment performance as a key metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 30 June 2024, the True Partner Fund, the Group's longest running fund product, has delivered a higher return and alpha than the EurekaHedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, despite that broad index having a positive beta to equities (which was beneficial to its performance over the period) and the True Partner Fund having a negative beta to equities. The True Partner Fund has also delivered a higher alpha, an important measure of risk-adjusted return, than each of the CBOE EurekaHedge Relative Value Volatility, CBOE EurekaHedge Long Volatility and CBOE EurekaHedge Short Volatility indices.<sup>4</sup>
- The Group's assets under management were lower relative to the comparable period in 2023 and relative to the level on 31 December 2023. Assets under

management were US\$512 million as of 30 June 2024 as compared to US\$1,164 million as of 30 June 2023 and US\$885 million as of 31 December 2023. The decrease in assets under management over the first half of 2024 was primarily driven by the investment portfolio adjustments of some investors. Based on our discussions with the relevant investors, we understand that the large majority of the change in assets under management over the first half of 2024 occurred for idiosyncratic, client-specific reasons and did not reflect a change in conviction in our investment approach.

- Revenues for the first half of 2024 were HK\$5.0 million. This compares to revenues of HK\$8.7 million for the first half of 2023. The decrease in revenue was primarily due to the decrease in assets under management and shifts in product mix over the period. These factors had the result of lowering the average assets under management and the average management fee charged on the Group's assets under management for the first half of 2024 as compared to the first half of 2023.
- As discussed above, the market environment for the Group's investment approach was also challenging. This helped result in lower performance fee income than the Group's long-term objectives. The combination of all these factors led to a decrease in the average level of assets under management, the average revenue per unit of assets under management and overall revenues for the first half of 2024 as compared to first half of 2023.

4. The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies.

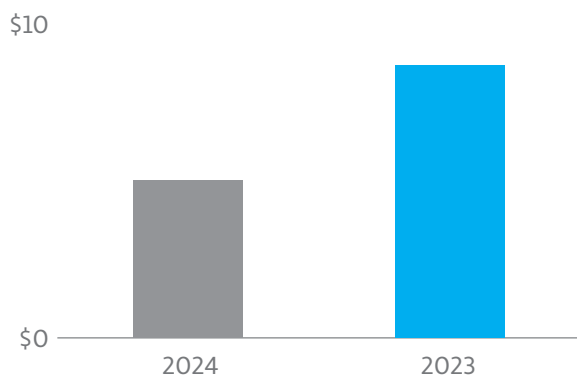
## Results

- General and administrative expenses were HK\$31.7 million in the first half of 2024, as compared to HK\$37.7 million in the first half of 2023. The decrease was mainly in staff cost, professional and administrative expenses as the Group proactively reviewed its operations and made adjustments where it was able to identify redundancies and opportunities for efficiency gains. Given the cyclical nature of the opportunity set for the Group's investment approach, the Group is focused on ensuring the business remains robust, efficient and focused on the Company's plans as outlined in the prospectus for the Company dated 30 September 2020 (the "**Prospectus**"), able to endure the current challenging part of the cycle and ready to take advantage of a potential turn in the cycle that would result in more favourable conditions.
- The Group has reduced its headcount by 37.5% and implemented a cost reduction plan in its general and administrative expenses. While expenses are subject to uncertainty and the influence of a range of factors, the Group expects to see some additional benefit from these adjustments over the following twelve months. As part of the Group's cost reducing plan, the Group is also investigating the opportunity of restructuring the Group's entities in order to further enhance operational efficiency. As a result, the progress for the use of proceeds outlined in the Prospectus remains relevant but the Group has opted to extend the expected timeline for utilising the remaining unused net proceeds to 31 December 2025. These adjustments do not alter the Company's plans as outlined in the Prospectus.
- The Group's loss before income tax was a loss of HK\$26.8 million in the Reporting Period, as compared to a loss of HK\$29.5 million in the first half of 2023. Loss attributable to owners of the Company was HK\$26.9 million in the first half of 2024 (after tax), as compared to a loss of HK\$29.7 million in the first half of 2023.

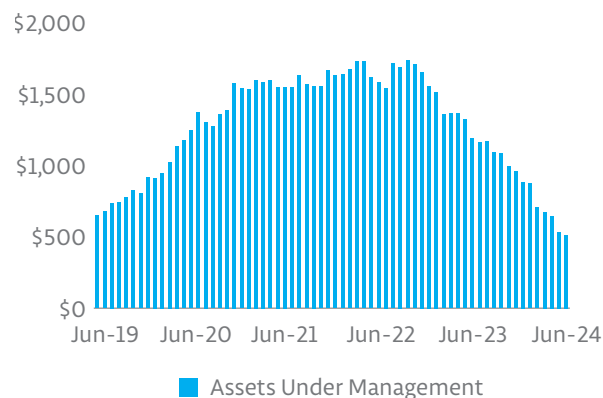
Selected Highlights

(in HK\$ millions as of 30 June 2024 unless stated, where noted comparison is to 30 June 2023)

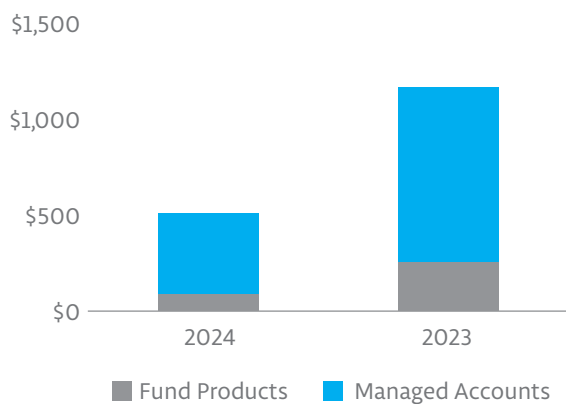
Revenues



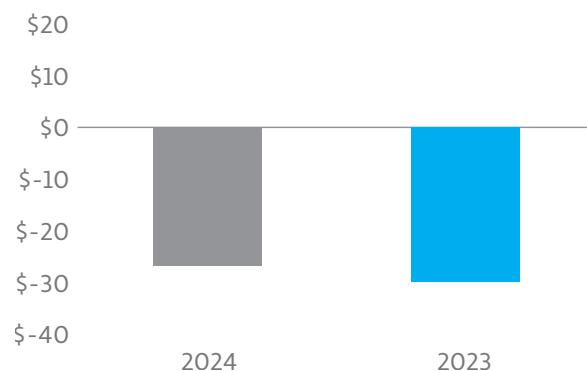
Assets under management ("AUM") (US\$ millions)<sup>5</sup>



Breakdown of AUM by Product Type (\$US millions)<sup>4</sup>



Loss attributable to owners of the Company



5. The Group manages or advises on both fund products and other investment mandates. For the purposes of this report, fund products launched by the Group or co-branded with the Group where a subsidiary of the Group is the investment manager or sub-investment manager are grouped under "fund vehicles"; other mandates are grouped under "managed accounts". The Group's managed accounts may deploy the Group's relative value trading strategy and/or other trading strategies. As of 30 June 2024, the Group's relative value trading strategy is deployed across both fund products and managed accounts.

# Management discussion and analysis

## BUSINESS REVIEW

The Company is a Hong Kong, Europe and US based fund management group with a focus on volatility trading in liquid markets. The Company and its subsidiaries (together as the “Group”) principally manage funds and managed accounts on a discretionary basis using a global relative value volatility strategy and other volatility strategies developed by the Group. The Company may also engage in limited trading of proprietary capital, principally via derivatives, as part of its research into new strategies and markets that may be appropriate for inclusion in the mandates it runs for external clients. The strategies run by the Group principally involve the active trading of liquid exchange listed derivatives (including equity index options, large cap single stock options, as well as futures, exchange traded funds and equities) across major markets (including the US, Europe and Asia) and different time zones. Our trading decisions are supported by our in-house proprietary trading platform (embedded with option pricing and volatility surface models) designed for our specific way of trading and which enables real-time pricing of implied volatilities, quantitative comparisons, risk management as

well as speedy execution of trades. Our team’s collective expertise and specialised knowledge in options and volatility trading is the foundation of our proprietary trading technology.

Our firm assets under management are US\$512 million as of 30 June 2024 and we currently manage or advise on both fund products and managed accounts. Our longest running fund product was launched in July 2011 and was later restructured into a master-feeder structure to facilitate investments from US taxable investors. In 2016 we launched a further fund, which is similarly structured, but with a trading strategy which has a long volatility bias. Together with International Asset Management (“IAM”), we made our strategy available in UCITS format in June 2019, with the launch of a co-branded fund product for which a subsidiary of the Group is the sub-investment manager and IAM is the investment manager. IAM was founded in 1989 and is one of the oldest independent asset management firms specialising in hedge funds and alternative UCITS investments. The IAM UCITS fund was closed on 30 April 2024. Assets

under management relating to these fund products are grouped together as “fund vehicles” above and below. In addition to funds launched by us or co-branded with us, we also enter investment management mandates with third parties who allocate a sub-fund of their umbrella fund or a portion of their assets to be managed by us. While such arrangements may have different underlying structures in accordance with client preferences, for simplicity we group assets under management relating to these mandates under “managed accounts” above and below.

As of 30 June 2024, our assets under management comprised of US\$87 million in comingled fund products (including funds where the Group is a sub-investment manager) and US\$425 million in managed accounts or similar arrangements, including fund-of-one structures. The investors in funds and accounts managed or advised by us are mainly professional investors, which may include collective investment undertakings, family offices, pension funds, endowments/foundations, financial institutions and high net worth individuals.

## Market Environment

The first half of 2024 saw a rally in global equity markets, continuing the strong gains seen in 2023, despite the fact that priced in expectations of ample monetary policy easing did not materialize. Relevant measures of equity index implied volatility mostly saw declines over the Reporting Period, while realized volatility was generally subdued and well below long-term average levels.

The MSCI World had a gain of +13.8% over the Reporting Period. The MSCI World experienced strong gains in Q1 2024 (+10.2%) and a smaller rise in Q2 2024 (+3.2%). The Global Bond Index was close to flat over the Reporting Period, with a gain of +0.2%, with a +0.15% rise in Q1 2024 and a +0.08% gain in Q2 2024.

## Management discussion and analysis

Popular measures of at-the-money implied volatility were mixed over the Reporting Period. These measures provide a snapshot of implied volatility at different points in time but are not directly tradable.<sup>6</sup> The VIX index was little changed, moving from 12.45 to 12.44. A similar measure for the Euro Stoxx 50, the VSTOXX, rose from 13.6 to 18.3, while the equivalent measures in the Japanese Nikkei fell from 17.5 to 16.1 and in the Korean Kospi 200 index from 17.8 to 16.1 respectively.

Of the various volatility indices noted above, the VIX has the most liquid derivatives market, via VIX futures and options. The VIX ETF, which systematically buys and rolls short-term VIX futures, can be seen as a proxy for the

performance of continuously holding a long position in short-term VIX futures and we believe is a more informative proxy for the behaviour of volatility than the VIX index (because, as mentioned above, the VIX index is not itself directly tradable). The VIX ETF was down by -30.0% over the Reporting Period.<sup>7</sup>

Measures of realized volatility – the actual day to day volatility of equity indices – were subdued over the Reporting Period. Annualized volatility in the MSCI World was 8.5%, approximately half its long-term average of 16.5% (measured over 2007 to 2023). Annualized volatility in the S&P 500 Total Return was 10.5%, again approximately half of its long-term average level of 20.3%.

6. The metrics referenced are the Nikkei Stock Average Volatility Index and the Kospi 200 Volatility Index.  
7. Sources: Bloomberg, True Partner

## Investment Performance

The backdrop over the Reporting Period would generally be expected to create a relatively challenging environment for our index volatility trading. The Group's trading strategies are predominantly relative value in nature, but historically have seen their best performance in periods of falling equity markets and rising volatility. However, our relative value volatility strategy was able to preserve capital and to deliver a small positive return of +0.5% over the Reporting Period.<sup>8</sup> Our relative value volatility strategy also exhibited a negative correlation and beta to equity markets over the period, providing diversification benefits to investors. The worst month for the MSCI World over the Reporting Period (and the MSCI World's only down month) was April 2024, which was the best month for our relative value strategy over the same period. In April 2024 our relative value strategy was up +1.4% compared to a return of -3.2% for the MSCI World.

As we have highlighted in both positive and negative periods of performance, investment performance in any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group's products typically focus on long-term investment performance as a key

metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 30 June 2024, the True Partner Fund, the Group's longest running fund product, has delivered a higher return and alpha than the Eureka hedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, despite that broad index having a positive beta to equities (which was beneficial to its performance over the period) and the True Partner Fund having a negative beta to equities. The True Partner Fund has also delivered a higher alpha, an important measure of risk-adjusted return, than each of the CBOE Eureka hedge Relative Value Volatility, CBOE Eureka hedge Long Volatility and CBOE Eureka hedge Short Volatility indices.<sup>9</sup>

Over the shorter-run, we have also seen an improved ability for our relative value strategy to weather challenging market conditions as compared to a comparably difficult period of strong equity gains and declining volatility seen in the second half of 2020 and during 2021. Over the 18-month period from 31 December 2022 through to 30 June 2024, the MSCI World is up +41.5% and the VIX ETF is down -80.9%. Over the same period, our relative value strategy was up +1.3%.<sup>10</sup>

8. This material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance. Returns are based on Class B shares and are shown net of fees and expenses.

9. The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies.

10. material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance. Returns are based on Class B shares and are shown based on the current 1% management fee and 20% performance fee. As previously disclosed, the fee structure has been revised to a 1% management fee and a 20% performance fee effective as of October 2023. Previously the Fund applied a 2% management fee and a 20% performance fee. Applying the previous fees would result in a lower return of +0.5% over this 18-month period.

# Management discussion and analysis

## Financial Performance

The Group's primary source of revenues is its fund management business. Fund management revenues are derived both from management fees and from performance fees. Fund management revenues for the first half of 2024 were HK\$3.5 million. This compares to revenues of HK\$8.4 million for the first half of 2023. The decrease in revenue was primarily due to shifts in product mix over the period and a decrease in assets under management. This had the result of lowering the average level of assets under management and the average management fee charged on the Group's assets under management for the first half of 2024 as compared to the first half of 2023.

Revenue per unit of assets under management can vary as a result of a number of factors. Individual fund products and managed accounts can have different fee structures due to differences in the nature and sizes of the mandates and other factors. Comparing the first half of 2024 to the first half of 2023, assets under management declined overall as detailed in our regular monthly filings and there were changes in underlying product mix. The changes in assets under management primarily reflected factors including idiosyncratic changes with some underlying clients, as well as the effects of a challenging trading environment in general. Overall, the effects of the changes in assets under management and product mix also included that the expected relative contribution of management fees and performance fees to revenues per unit of assets under management became more focused on performance fees and less focused on management fees.

As discussed above, the market environment for the Group's investment approach was also challenging. This helped result in lower performance fee income than the Group's long-term objectives. The combination of all these factors led to a decrease in the average level of assets under management and the average revenue per unit of assets under management for the first half of 2024 as compared to the first half of 2023. In combination, these factors also led to a decrease in overall fund management revenues for the first half of 2024 as compared to the first half of 2023.

Revenue from the consultancy business of the Group includes serving as an expert witness for market regulators, which one of the principals of the Group provides to the Hong Kong Securities and Futures Commission in cases of suspected market manipulation on both the Main Board and the GEM of The Stock Exchange of Hong Kong Limited (the "HKEX").

Revenue from the derivatives trading business associated with our research into new strategies and markets is included under "net trading gain". The derivatives trading business is supportive of the fund management business as research is intended to lead to the development of attractive trading strategies that may be subsequently implemented in the Group's funds and mandates, where they have the potential to generate management fees and/or performance fees revenues.

## Management discussion and analysis

Both the consultancy business and the derivatives trading business contribute a small portion to the Group's revenue with the derivatives trading business being contingent on the fund management business. Revenue from the consultancy business was in line with expectations given its incidental nature whereby our Group may from time to time serve as expert witness for market regulators such as the Hong Kong Securities and Futures Commission. Revenue from the derivatives trading business is also expected to be small. It is however an encouraging positive sign that the new strategy that we are exploring for the potential benefit of investors in our funds generated a profit, as this indicates that it may be attractive to potential investors and thus a potential future source of revenue within our fund management business. However, this new strategy remains at the research stage as at the end of the Reporting Period.

General and administrative expenses were HK\$31.7 million in the first half of 2024, as compared to HK\$37.7 million in the first half of 2023. The decrease was mainly in staff cost, professional and administrative expenses as the Group proactively reviewed its operations and made adjustments where it was able to identify redundancies and opportunities for efficiency. Given the cyclical nature of the opportunity set for the Group's investment approach, the Group is focused on ensuring the business remains robust, efficient and focused on the Company's plans as outlined in the Prospectus, able to endure the current challenging part of the cycle and ready to take advantage

of a potential turn in the cycle that would result in more favourable conditions.

The Group has reduced its headcount by 37.5% and implemented a cost reduction plan in its general and administrative expenses. While expenses are subject to uncertainty and the influence of a range of factors, the Group expects to see some additional benefit from these adjustments over the following twelve months. As part of the Group's cost reducing plan, the Group is also investigating the opportunity of restructuring the Group's entities in order to further enhance operational efficiency. As a result, the progress for the use of proceeds outlined in the Prospectus remains relevant but the Group has opted to extend the expected timeline for utilising the remaining unused net proceeds to 31 December 2025. These adjustments do not alter the Company's plans as outlined in the Prospectus.

The Group's loss before income tax was a loss of HK\$26.8 million in the first half of 2024, as compared to a loss of HK\$29.5 million in the comparable period in 2023. Loss attributable to owners of the Company was HK\$26.9 million in the first half of 2024 (after tax), as compared to a loss of HK\$29.7 million in the comparable period of 2023. The Group's comprehensive income attributable to owners of the Company was a loss of HK\$27.2 million in the first half of 2024 vs. a loss of HK\$29.5 million in the comparable period of 2023.



# Management discussion and analysis

## Assets Under Management

The Group reports its assets under management in US dollars.<sup>11</sup> US dollars are the base currency of most of the Group's fund vehicles and managed accounts. The Group had \$512 million in assets under management as of 30 June 2024. This compares to \$1,164 million in assets under management as of 30 June 2023, representing a decrease of \$652 million or 56%. Relative to 31 December 2023, assets under management decreased by 42%

from \$885 million as of 31 December 2023 to \$512 million as of 30 June 2024. The decrease relative to the comparable period of 2023 and relative to 31 December 2023 was primarily driven by the investment portfolio adjustments of some investors in the Group's products. Based on our discussions with clients, we believe that the large majority of the adjustment in assets under management over the first half of 2024 was driven by idiosyncratic client-

specific factors and does not reflect changes in clients' conviction in our investment approach.

As of 30 June 2024, the Group had \$87 million in assets under management in fund vehicles and \$425 million in managed accounts. This compares to \$253 million in assets under management in fund vehicles and \$911 million in managed accounts as of 30 June 2023.

## Business Development Activities

Over the last several years, the Group has successfully adapted to the challenging conditions created by Covid-19, and the post-Covid-19 environment. This has included expanding its provision of digital content and making use of technology to engage with investors globally. This enabled us to remain active in communication in an environment where there were restrictions on in person interactions and travel and has also provided a beneficial platform to facilitate wider and deeper interactions as travel restrictions have eased and now been removed. We have seen some Covid-era changes become standard practice; for example, interactions that would previously have taken place as voice calls now take place as video conference calls.

During the Reporting Period, the team has been actively engaged with investors and prospects through webinars and on a one-on-one basis. This included holding webinars for the True Partner Fund and various one-on-one meetings. These provided an opportunity to discuss the Fund's performance in 2023, our 2024 outlook and 2024 year-to-date performance. The Group also continued to engage with investors and prospects via newsletters and articles. As part of our digital communications approach, the Group utilises customer relationship management software that we believe to be industry leading, which helps us to efficiently engage with a wide range of prospects and easily enable knowledge to be institutionalised. We have also been engaged with our capital introduction partners over the period.

<sup>11</sup>. Figures for assets under management may include figures based on estimated net asset values for fund vehicles or managed accounts managed or advised by the Group

## Management discussion and analysis

During the year, senior personnel within the Group also continued to be active in meeting investors and prospects in person and in international travel to meet investors where commercially beneficial and in keeping with environmental and social governance responsibilities, alongside the Group's engagement with investors and prospects via digital content.

Senior personnel have also participated in panel discussions at industry events including at the London Volatility Investing Event, the Tokyo edition of the Global Volatility Summit and a Northern Trust Market Mingle in Amsterdam. The latter event was centred around the thought leadership work we have done together with Northern Trust on risks in the Dutch pension transition, an area where we see potential opportunities to work with pension funds. Northern Trust is one of the world's largest financial institutions and has over EUR\$1.5 trillion in assets under management as of June 30, 2024. It is ranked as one of the world's most admired companies by Fortune Magazine and has received multiple awards for its business, including specifically for its work with European pensions.<sup>12</sup>

As noted in our 2023 Annual Report, during the second half of 2023, the Group and Northern Trust collaborated on joint pieces in *Het Financieele Dagblad*, the leading daily financial newspaper in the Netherlands, and *Pensioen Pro Magazine*, a leading publication for pension funds. In December 2023, the Group and Northern Trust jointly released a white paper focused on the upcoming pension transition in the Netherlands, which was promoted by both the Group and by Northern Trust, including through both firms' websites and social media. The Group's senior personnel have been engaged with relevant parties in the Netherlands during 2023 and 2024 and we also expect this to be an area of focus over the remainder of 2024. Our proprietary analytical tools have been instrumental in this work, enabling us to provide pension funds with detailed risk insights.

During the second half of 2024 we plan further marketing activity and participation in industry events, including at the Global Volatility Summit in New York, where our co-CIO Tobias Hekster will participate in a panel discussion. Other senior Group personnel will also be in attendance to meet with investors and prospects.

<sup>12</sup>. Source: Northern Trust

# Management discussion and analysis

## Technology Developments

Our technology team remains focused on maintaining and incrementally further improving the key elements of our core proprietary systems, including the Typhoon Trader, our front-end trading system, Observatory, our real-time risk management system, Quant,

our data warehouse and quantitative library, Solunar, our back-office system, and Nitro, which integrates our different modules into a centralised platform. During the first half of 2024, we have focused on further improving the stability, redundancy,

and security of both our infrastructure and our proprietary technology and identifying opportunities for efficiency gains. We have also made further improvements to our proprietary back testing system and analytical tools.

## Market Outlook

Our investment approach is quantitatively driven with a disciplined process that does not rely on macro forecasts. However, the overall environment is nevertheless an important backdrop. Below we provide some brief observations on the current macro environment and potential implications for investors' approaches to portfolios.

Recent equity market performance has continued to be unusually strong. Following a strong 2023, when the MSCI World had a gain of +24.3% over the year, the MSCI World has rallied a further +13.8% in the first half of 2024. This takes the MSCI World's rise since its lows at the end of September 2022 to +52.4% in a mere 21 months. That is in the 98th percentile of 21-month returns since the inception of the MSCI World Total Return Hedged USD index in 2001. Using the longer history available for the MSCI World Total Return USD (i.e. the version of the index that is in USD, but does not hedge non-USD currency risk), the 21-month return to June 2024 is +51.8%. That is in the 95th percentile of 21-month returns in the over 50 year-period since 1970.

Over the Reporting Period, returns were positive across all the markets traded by the Fund. The strongest performing market was the Taiex, which rose +29.5%. The Nikkei Total Return rose +19.1%, followed by the Nasdaq 100 Total Return, up +17.5%. Even the lowest performing of the major markets, the Hang Seng Total Return, delivered a strong +6.2% return, while the relatively closely related HSCEI Total Return was up +11.3%. The S&P 500 Total Return and Euro Stoxx 50 Total Return were also both up over 10% over the Reporting Period.

It is interesting to observe that the rise in equity markets has come despite what would seem to be a potentially significant disruptor to the positive market narrative – a notable tightening of expected monetary policy expectations. This has been driven by persistently higher than expected inflation – something we had warned about in our 2023 Annual Report. At the end of 2023 analysts expected US CPI inflation to be 2.6% in 2024; by the end of June this had risen to 3.1%.<sup>13</sup> The persistence in inflation was driven by closely watched core inflation (often regarded as

<sup>13</sup> Source: Bloomberg

## Management discussion and analysis

a better guide to future patterns than headline inflation). This was also reflected in the economic projections from the US Federal Reserve; at the end of 2023 the median projection for core inflation in 2024 was 2.4%, which rose to a median projection of 2.8% in June 2024.<sup>14</sup>

At the end of 2023 the market was pricing in over 150bps of cuts to the US Federal Funds Rate by the end of 2024, to take the Fed Funds rate to approximately 3.75%. This expected easing in policy was widely seen as supportive for equity markets. However, by the end of June 2024, most of this easing had been priced out, with the market expecting only 44bps of cuts by the end of 2024 and an implied Fed Funds rate of 4.89%. US 10-year Treasury yields, also an important driver of financial conditions, rose as well, from 3.87% at the end of 2023 to 4.40% at the end of June 2024. Mortgage rates saw a smaller change, with the 30-year average fixed prime offer rate rising from 6.67% at the end of 2023 to 6.86% at the end of June 2024. Yet, this 6.86% rate was still above the 6.28% level at the trough in the equity market at the end of September 2022, and more than double the 3.10% rate at the end of 2021.

A similar picture can be observed in Europe. At the end of 2023 the market pricing was pricing in over 160bps of cuts from the ECB during 2024, to take the implied rate to 2.26%. However, by the end of June 2024 most of this easing had been priced out, with the market expecting rates to be 3.22% at the end of 2024, almost 100bps higher than had been expected at the end of 2023. In the UK, a similar pattern can be observed, with markets moving

from pricing over 170bps of cuts at the end of 2023 to only pricing 45bps of cuts at the end of June 2024. Japan was somewhat of an exception, with roughly stable expectations over the Reporting Period for approximately 20bps of hikes.<sup>15</sup>

With monetary policy typically operating on a lag, we would not be surprised to see lagged effects from this tightening as more borrowers are forced to refinance at higher than expected rates. Should central banks continue to keep interest rates 'higher for longer', we could see a reassessment of the impact on equity markets.

While equity markets have been surprisingly comfortable with higher rates during the first half of 2024, it is also perhaps too early to forget the mini-banking crisis in March 2023. During this period, Credit Suisse defaulted on its AT1 bonds and was hastily acquired by UBS, while the US saw major issues at several banks, most notably the collapse of Silicon Valley Bank, which had a market capitalisation of almost US\$20 billion as recently as mid-February 2023. Data suggests that the banking worries are not necessarily all in the past. The latest US FDIC quarterly report on insured institutions (with data as of 31 March 2024) shows that unrealized losses on securities held by insured institutions remain well above historical averages. As of 31 March 2024, unrealized losses stood at US\$516.5 billion; until 2022 this number had not been above US\$150 billion (based on data from 2008 onwards). Should higher bond yields be sustained, we may see more difficulties for banks.<sup>16</sup>

<sup>14</sup>. Source: US Federal Reserve

<sup>15</sup>. Sources: Bloomberg, True Partner

<sup>16</sup>. Source: FDIC Quarterly Banking Profile report for Q1 2024

## Management discussion and analysis

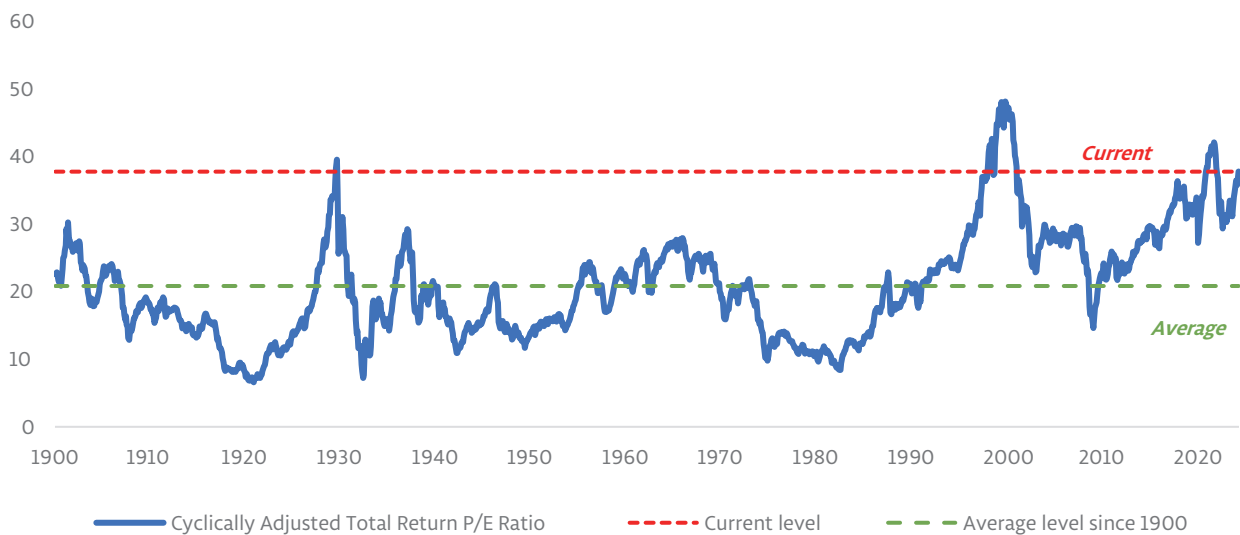
The geopolitical backdrop also continues to look fragile. The conflict in Ukraine that began following Russia's invasion in February 2022 remains ongoing, with no sign of a near-term resolution. Indeed, there are some signs of potential escalation, with the US and UK allowing Ukraine to use some of their weapons to strike some targets within Russia (for "counter-fire purposes").<sup>17</sup> In the

Middle East, the conflict that began following Hamas' attacks on Israel in October 2023 remains ongoing and there has also been an escalation in Hezbollah's attacks on Israel and Israel's attacks on Hezbollah, raising the risk of an all-out conflict.

Equity valuations are another potential concern. Looking at the S&P Composite index, the cyclically adjusted total

return P/E ratio, a widely respected measure of valuation developed by Nobel laureate Professor Robert Shiller, was at 38x at the end of June 2024, even higher than its 34x level at the end of December 2023. That 38x multiple puts equity valuations in the 97th percentile of expensiveness since 1900.<sup>18</sup> Historically, multiples have rarely stayed at such high levels for long, as shown in the chart below.

US equity valuations are in the 97th percentile of expensiveness



<sup>17</sup> Source: "Biden allows Ukraine to hit some targets in Russia with US weapons", BBC News, 31 May 2024

<sup>18</sup> Sources: Robert Shiller / Yale University, True Partner. Readers may recall that Shiller famously published his book "Irrational Exuberance", which argued that the US stock market was highly overvalued based on the cyclically-adjusted P/E ratio, in March 2000, just before the collapse of the stock market.

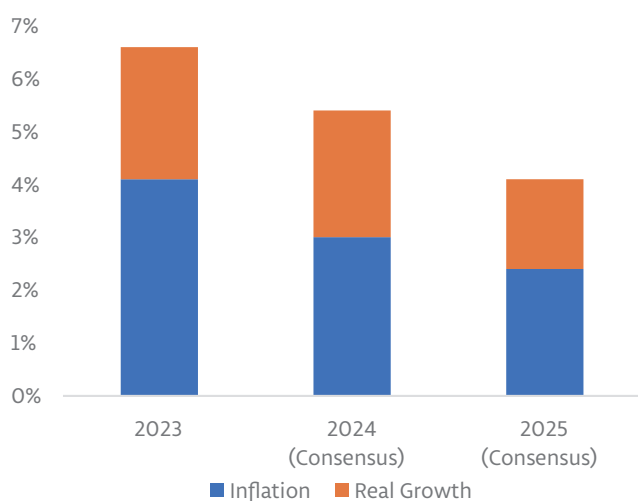
## Management discussion and analysis

At the same time, forward looking expectations for earnings growth appear to be optimistic. Consensus economic forecasts suggest a slowdown in growth in 2024 and 2025, but consensus analyst estimates

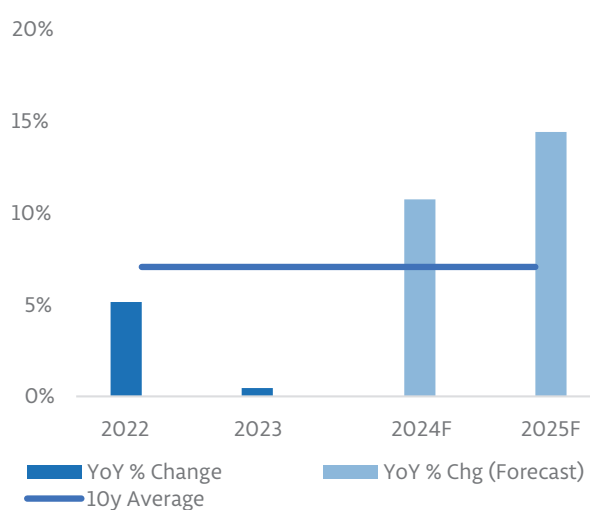
for earnings suggest strong growth at levels well above long-term averages (see charts below). In 2023, we saw analyst estimates come down significantly during the year from 5% growth to 0.5% despite high

nominal economic growth. Earnings disappointments could put pressure on equity multiples, which are very high relative to history as noted above.

*US economic growth – actual and consensus forecasts<sup>19</sup>*



*US earnings growth – actual and consensus forecasts<sup>20</sup>*



<sup>19</sup>. Sources: True Partner, Bloomberg. As of 15 July 2024.  
<sup>20</sup>. Sources: True Partner, Factset. As of 12 July 2024.

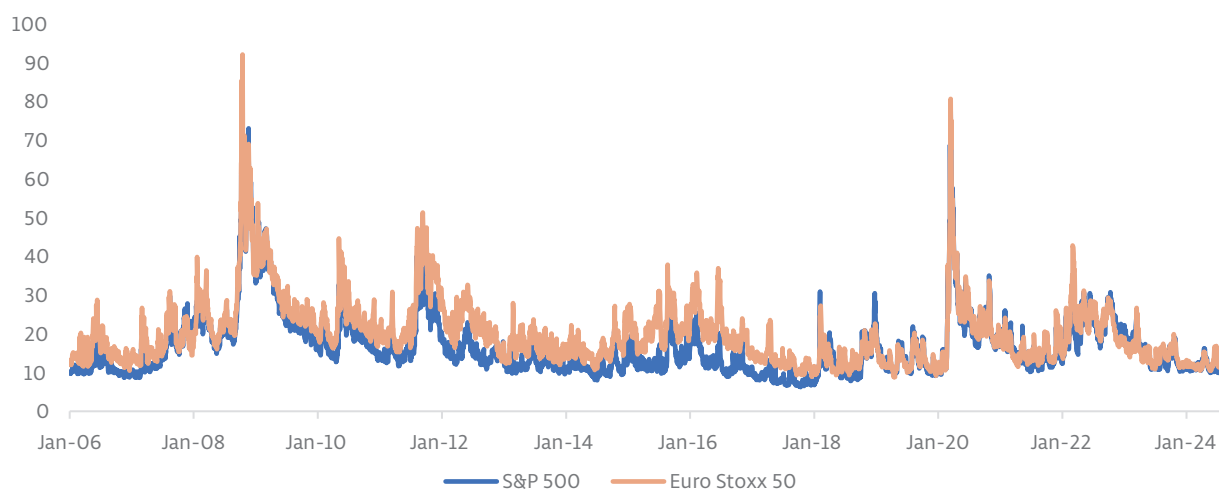
## Management discussion and analysis

Amid this backdrop, we believe that it is prudent for investors to consider the risks of a sharp deterioration in equity markets. Realized volatility has so far been relatively muted in most markets, and implied volatility remains low. However, that could change very quickly, as we have seen at points in the past such as in 2020 and in 2008. In mid-February 2020, the VIX index was as low as 13.7 – just

above its level at the end of 2023. By mid-March 2020 it had risen to over 80.

Despite the causes for macro concerns, implied volatilities in key indices in the US and Europe are trading at unusually low levels, in some markets near to all-time lows (see chart below), while the picture in Asia is more mixed.<sup>21</sup>

*Implied volatility is near all-time lows in the US and Europe (1-month ATM implied volatility)<sup>22</sup>*



21. Sources: True Partner, Bloomberg.

22. Sources: True Partner, Bloomberg. Data as of 12 July 2024.

## Management discussion and analysis

The disconnect between implied volatility in equity indices and that observed in some other asset classes remains meaningful. The MOVE index, which tracks the implied volatility of US Treasuries, continues to trade at elevated levels relative to its historical average and relative to its historical relationship with equity volatility as represented by the VIX index. We believe that current equity index volatility levels may offer an attractive entry point for relative value strategies such as those offered by the Group and also represent an ideal opportunity for investors who may not be fully sold on the bullish market stories to hedge their downside exposure. We are actively sharing this opportunity with clients and prospects in our conversations.

We believe that the current market backdrop is likely to lead more investors to consider diversifying options such as relative value volatility and directional hedges in volatility, such as those we offer through our customized solutions. While real bond yields have risen from their trough levels, we believe that there remains considerable uncertainty around bond returns. There is uncertainty around inflation and long-term neutral rates, government policies suggest persistent fiscal deficits and the sharp losses experienced in recent years are a reminder that bonds can be a volatile asset. We believe that this is likely to make investors reconsider a wider range of options, including volatility strategies. Within this context, the recent return of our relative value strategy as compared to peers has also improved over the Reporting Period, which we believe will be an additional aid in our marketing efforts.

One main detriment for equity volatility hedges in 2022 was the limited reactivity of implied volatility to market declines (and at times, implied volatilities even declined

amid market declines as happened in December 2022). We have seen some signs of normalization in parts of 2023 and the first half of 2024. We believe that in the next major move down in markets we are likely to see a return to the kind of historical behaviour where directional volatility hedges have been benefited. We also expect the return of this behaviour to help drive opportunities for our relative value volatility strategy. Overall, we believe that the volatility environment is likely to provide interesting opportunities ahead for investors, with equity index volatility having the potential for significant moves and dislocations. This leaves us optimistic on the outlook.

Of course, timing markets is difficult, and unusual valuations and behaviour can sometimes persist for longer than one expects. Our investment approach is principally absolute return, and we aim to profit in a range of market environments. Nevertheless, we believe that the current environment represents an opportunity for investors to consider their portfolio construction approach and long-term asset allocation. Alternative diversifiers including hedge funds and strategies such as volatility trading could be beneficiaries of this. Our relative value volatility strategy has historically generated positive long-term absolute returns with a negative correlation to equity markets. Additional strategies we have developed for customized solutions are also expected to have opportunities in environments of rising volatility and strongly negative equity returns, which could make them attractive diversifiers for existing and potential clients. Should we see a shift away from bonds and towards alternative diversifiers such as hedge funds and customized mandates, our products could be well placed to benefit from increased investor demand for this kind of exposure.



## Management discussion and analysis

### Use of proceeds from the listing

The shares of the Company (the “Shares”) were listed on GEM on 16 October 2020 (the “Listing Date”) by way of placing and public offer (the “Share Offer”). The Share Offer of 100,000,000 new ordinary Shares at HK\$1.40 each raised net proceeds of approximately HK\$104 million (after deduction of underwriting fees and

listing expenses). Details of the Share Offer are set out in the Prospectus and in the Company’s announcement on 15 October 2020.

The net proceeds from the Share Offer received by the Company were approximately HK\$104 million (after deduction of underwriting

fees and listing expenses). The Company intends to apply the net proceeds in the manner as stated in the Prospectus of the Company and the Company’s announcement on 7 August 2024. During the period from the Listing Date to 30 June 2024, the net proceeds had been utilised as follows:

Item/Currency	Actual net proceeds from the Listing HK\$'000	Actual amount utilised up to 30 June 2024 HK\$'000	30 June 2024 HK\$'000	Expected timeline for utilising the remaining unused net proceeds (Note)
<b>Expansion of our operations:</b>				
in Hong Kong	26,403	5,579	20,824	By 31 December 2025
in Amsterdam, Netherlands	20,610	15,085	5,525	By 31 December 2025
in London, United Kingdom	10,711	6,156	4,555	By 31 December 2025
in Chicago, US	8,216	1,093	7,123	By 31 December 2025
Expansion through obtaining an investment firm license from the AFM	5,403	1,815	3,588	By 31 December 2025
Enhancement of our IT systems	22,302	13,207	9,095	By 31 December 2025
Sales and marketing	2,745	2,745	–	
Investing in funds managed by the Group	7,610	–	7,610	By 31 December 2025
<b>Total</b>	<b>104,000</b>	<b>45,680</b>	<b>58,320</b>	

#### Note:

Expected timeline for utilising the remaining unused net proceeds is now extended from 30 June 2023 to 31 December 2025. From the Listing Date to 30 June 2024, the Group utilised approximately HK\$45,680,000 of net proceeds.

## Management discussion and analysis

Since 2021, 15 new personnel responsible for compliance, risk management, accounting, trading, and IT had been hired for the expansion of our team in Hong Kong, Amsterdam, London and Chicago. Subsequently, the Group had taken active steps to bolster the size of our team and interviewed more than 40 candidates who would be deployed for investor relations, portfolio management, compliance, IT and market research respectively as planned in the Prospectus. However, as generally the qualification of candidates fell short of our requirements and further to the adverse impact of current market conditions on the Group's operations, the hiring progress was

postponed. Given the cyclical nature of the market conditions which the Group encounters, the expansion remains relevant, but we have opted to extend the expected timeline for utilising the remaining unused net proceeds from 30 June 2023 to 31 December 2025.

For the expansion through the application for an investment firm licence from the AFM, the progress follows the original plan disclosed in the Prospectus. The Group has filed the AFM licence on 16 July 2021 and utilised the planned proceeds in obtaining professional services to support this process. The licence application and screening fees has been charged after filing the AFM

application. The AFM licence was granted on 24 March 2022. The remaining proceeds with regards to the AFM licence will be utilised by maintaining the AFM licence and the expected timeline is revised from 30 June 2023 to 31 December 2025.

For the enhancement of our IT system and the sales and marketing efforts are on the schedule. Please refer to the "Business development activities" and "Technology developments" sections of Management discussion and analysis ("**MD&A**") in the 2023 Annual Report for the improvements and achievements the Group has made. Further to the impact of COVID-19 and subsequently the cyclical market conditions in the

## Management discussion and analysis

nature for the Group's operations, the actual utilised amount is less than the planned amount in the Prospectus. The expected timeline for utilising the remaining unused net proceeds designated to the enhancement of our IT system has been extended from 30 June 2023 to 31 December 2025.

For the sales and marketing activities, the planned use of proceeds has been fully utilised as at 31 December 2021. Throughout 2023, continued efforts were carried out across the Group's global offices to attract potential investors as mentioned in the "Business development activities" section of MD&A in the 2023 Annual Report.

For Investing in funds managed by the Group, the investment projects remain underway and are set to be launched once more favourable market sentiment emerges. Further to the cyclical nature of market conditions, the expected timeline for utilising the remaining unused net proceeds for investing in funds managed by the Group has been revised from 30 June 2023 to 31 December 2025.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumptions of future market conditions made by the Group at the time of preparing the Prospectus

while the proceeds were applied based on the actual development of the Group's business and the industry and will be subject to change based on current and future development of market conditions. The Board considers that the development direction of the Group remains unchanged. The Board will continue to closely monitor the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds. Should there be any material change in the intended use of the Unutilised Proceeds, the Company will keep shareholders and potential investors informed by making appropriate announcement(s) in due course.

## Financial review

### Revenue

During the Reporting Period, revenue of the Group amounted to HK\$5 million, representing a decrease of HK\$3.7 million, or approximately 42% as compared with HK\$8.7 million for the corresponding period of 2023. The decrease in revenue was primarily due to the decrease of the Group's revenue from funds and managed accounts that caused by the shifts in product mix over the period, which had the result of a decrease in the average revenue per unit of assets under management for the Reporting Period.

### Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period was HK\$4.5 million, representing a decrease of HK\$3.1 million or 41% from HK\$7.7 million for the corresponding period of 2023.

The decrease was primarily driven by a decrease in the average revenue per unit of assets under management for the Reporting Period.

### General and administrative expenses

General and administrative expense of the Group for the Reporting Period amounted to HK\$31.7 million, representing a decrease of HK\$6 million or approximately 16% from HK\$37.7 million over the corresponding period of 2023. The decrease in expenses was primarily due to a decrease in staff cost, professional and administrative expense as the Group reviewed its operations and made adjustments where it was able to identify redundancies and opportunities for efficiency given the cyclical nature of the market conditions which the Group encounters.

### Share of results of associates

Share of results of associates represents operating losses arising from principal business activities of the associate – Holland & Muh Investment Management Co., Ltd. (“**Holland & Muh**”). For the Reporting Period, share of loss of associate of the Group amounted to approximately HK\$329,000, representing an increased loss of HK\$102,000 or approximately increased loss of 45% for the corresponding period of 2023. This was primarily due to the worse business activity performance of the Holland & Muh impacted by less favourable market conditions. Capital True Partner Technology Co., Ltd. (“**CTPT**”) was the associate of the Group in the corresponding period of 2023. On 25 August 2023, CTPT was reclassified as assets held for sale accordingly, details of disposal of CTPT during the year ended 31 December 2023 are set out on pages 41-42 – Material disposal of an associated company of the Company’s 2023 annual report.

### Principal risks and uncertainties facing by the Group

The Directors are aware that the Group is exposed to various types of principal risks and uncertainties as discussed below.

### Foreign Exchange Risk

The Group’s income, cost of sales, administrative expenses, investment and borrowings are mainly denominated in HK\$, US\$, EUR, SGD, RMB and GBP. Fluctuations of the exchange rates of US\$ relative to HK\$ could affect the income and operating costs of the Group. Historically, such fluctuations have been very limited. The Linked Exchange Rate System (“**LERS**”) has been implemented in Hong Kong since 17 October 1983. Through a rigorous, robust and transparent Currency Board system, the LERS ensures that the Hong Kong dollar exchange rate remains stable within a band of HK\$7.75-7.85 to one US dollar. Fluctuations of the exchange rates of Euro, Singapore Dollar and British Pound could affect the operating costs of the Group, but not significantly considering the size of the Group’s operations in the Netherlands, Singapore and the UK. The RMB currency risk arises from deposit placed with broker in RMB accounts in relation to derivative transactions settled in RMB. The fluctuation of RMB is recognized in revenue - net gain on derivatives, but the amount is not significant. Currencies other than Euro and British Pound were relatively stable during the Reporting Period. The Group currently does not have a foreign currency hedging policy. However, the management will

continue to monitor foreign exchange exposure and will take prudent measures to minimise the currency translation risk. The Group will consider hedging significant foreign currencies should the need arise.

### **Credit Risk**

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the unaudited condensed consolidated statement of financial position. In order to minimise the credit risk, the Directors closely monitor the overall level of credit exposure, and the management is responsible for the determination of credit approvals and monitoring the implementation of the debt collection procedure to ensure that follow-up action is taken to recover overdue debts.

### **Liquidity, current ratio and capital structure**

Fee income is the Group's main source of income, while other income sources include interest income generated from bank deposits. The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operation and mitigate the effects of fluctuations in cash flow. As at 30 June 2024, the Group's balance sheet and cash flow positions remained stable, with a net cash balance of HK\$18.1 million and fixed bank deposit of HK\$35.7 million. The current ratio (current assets divided by current liabilities) of the Group was 8.75 times. The Group had no corporate bank borrowings. The Group's net cash is more than its net debts, therefore, no gearing ratios are presented as at 30 June 2024.

### **Capital structure**

As at 30 June 2024, the Group's shareholders' equity and total number of shares issued were HK\$68 million and 400 million shares, respectively.

### Charge on assets

As at 30 June 2024, the Group did not pledge any assets as collateral for overdrafts or other loan facilities.

### Segment Information

An analysis of the segment information for the Group is set out in note 3 to the unaudited condensed consolidated financial statements.

### Future plan for material investments or capital assets

As at 30 June 2024, the Group had no specific plan for material investments or capital assets.

### Contingent liabilities

As at 30 June 2024, the Group has no material contingent liabilities or guarantees (as at 30 June 2023: nil).

### Donations for charitable or other purpose

Donations for charitable or other purpose such as sponsorship in community activities of approximately HK\$98,000 were made by the Group during the Reporting Period (for the six months ended 30 June 2023: HK\$111,000).

### Interim Dividends

The Board does not recommend the payment of an interim dividend for the Reporting Period (for the six months ended 30 June 2023: Nil).

### Human resources management

As at 30 June 2024, the Group had a total of 20 employees (as at 30 June 2023: 32). Based on the Group's remuneration policy, the employees' remuneration is determined with reference to the experience and qualifications of the individual's performance. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs.

The Group has also adopted a share option scheme to reward individual staff for their contribution to the Group.

## More information

### Directors' and chief executive's interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations

As at 30 June 2024, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to

Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### Long Positions in the Shares

Name of Director/ Chief Executives	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Tobias Benjamin Hekster	Beneficial owner	59,049,018	14.76%
Godefriedus Jelte Heijboer	Beneficial owner	56,055,644	14.01%
Ralph Paul Johan van Put <sup>(1)</sup>	Interest in a controlled corporation	58,337,399	14.58%
Roy van Bakel	Beneficial owner	27,686,280	6.92%

#### Note:

(1) The Shares were held by True Partner Participation Limited. True Partner Participation Limited is wholly owned by Mr. Ralph Paul Johan van Put. Mr. Ralph

Paul Johan van Put is deemed to be interested in all the Shares held by True Partner Participation Limited under the SFO.



Save as disclosed above, as at 30 June 2024, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short

positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under Section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

### Substantial shareholders' interests and short positions in the shares, underlying shares or debentures of the Company

So far as is known to the Directors, as at 30 June 2024, the following persons/entities (other than Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares of the Company that would fall

to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

#### Long Positions in the Shares

Name of Shareholders	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Franca Kurpershoek-Hekster <sup>(1)</sup>	Interest of spouse	59,049,018	14.76%
Wong Rosa Maria <sup>(2)</sup>	Interest of spouse	56,055,644	14.01%
True Partner Participation Limited	Beneficial owner	58,337,399	14.58%
Kung Yun Ching <sup>(3)</sup>	Interest of spouse	58,337,399	14.58%
True Partner International Limited <sup>(4)</sup>	Beneficial owner	62,336,908	15.58%
DSS Financial Management, Inc. <sup>(4)</sup>	Interest in a controlled corporation	62,336,908	15.58%
DSS Securities, Inc. <sup>(4)</sup>	Interest in a controlled corporation	62,336,908	15.58%

## More information

### Long Positions in the Shares (cont'd)

Name of Shareholders	Capacity/Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
DSS, Inc. <sup>(4)</sup>	Interest in a controlled corporation	62,336,908	15.58%
Chan Heng Fai Ambrose <sup>(4) (5)</sup>	Interest in a controlled corporation and Beneficial owner	77,082,908	19.27%
Chan Kong Yoke Keow <sup>(5)</sup>	Interest of spouse	77,082,908	19.27%
Edo Bordoni	Beneficial owner	29,839,153	7.46%
Anne Joy Bordoni <sup>(6)</sup>	Interest of spouse	29,839,153	7.46%
Maria Victoria Diaz Basilio <sup>(7)</sup>	Interest of spouse	27,686,280	6.92%
Nardinc Beheer B.V.	Beneficial owner	36,196,000	9.04%
SomethingEls B.V. <sup>(8)</sup>	Interest in a controlled corporation	36,196,000	9.04%
ERMA B.V. <sup>(8)</sup>	Interest in a controlled corporation	36,196,000	9.04%
Dasym Managed Accounts B.V. <sup>(8)</sup>	Investment manager	36,196,000	9.04%
F.J. Botman Holding B.V. <sup>(8)</sup>	Interest in a controlled corporation	36,196,000	9.04%
Franciscus Johannes Botman <sup>(8)</sup>	Interest in a controlled corporation	36,196,000	9.04%

#### Notes:

- (1) Mrs. Franca Kurpershoek-Hekster is the spouse of Mr. Tobias Benjamin Hekster, an executive Director, and Mr. Tobias Benjamin Hekster holds 14.76% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Franca Kurpershoek-Hekster is deemed to be interested in the same number of Shares in which Mr. Tobias Benjamin Hekster is deemed to be interested in under the SFO.
- (2) Mrs. Wong Rosa Maria is the spouse of Mr. Godefriedus Jelte Heijboer, an executive Director, and Mr.

Godefriedus Jelte Heijboer holds 14.01% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Wong Rosa Maria is deemed to be interested in the same number of Shares in which Mr. Godefriedus Jelte Heijboer is deemed to be interested in under the SFO.

- (3) Mrs. Kung Yun Ching is the spouse of Mr. Ralph Paul Johan van Put, the chairman and executive Director and True Partner Participation Limited is wholly

owned by Mr. Ralph Paul Johan van Put. True Partner Participation Limited holds 14.58% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Kung Yun Ching is deemed to be interested in the same number of Shares in which Mr. Ralph Paul Johan van Put and True Partner Participation Limited are deemed to be interested in under the SFO.

- (4) True Partner International Limited is a wholly owned subsidiary of DSS Financial Management, Inc. DSS Financial Management, Inc. is wholly owned by DSS Securities, Inc., which is wholly owned by DSS, Inc. DSS, Inc. is 58.79% owned by Mr. Chan Heng Fai Ambrose. True Partner International Limited holds 15.58% in True Partner Capital Holding Limited. By virtue of the SFO, Mr. Chan Heng Fai Ambrose is deemed to be interested in the Shares held by True Partner International Limited under the SFO.
- (5) Alset International Limited is 85.35% held by Alset Business Development Pte Ltd. Alset Business Development Pte Ltd. is wholly owned by Alset Global Pte Ltd, which is wholly owned by Alset, Inc. Alset, Inc. is 53.52% owned by Mr. Chan Heng Fai Ambrose. Alset International Limited holds 1.59% in True Partner Capital Holding Limited. By virtue of the SFO, Mr. Chan Heng Fai Ambrose is deemed to be interested in the Shares held by Alset International Limited under the SFO. In addition, Mr. Chan Heng Fai Ambrose beneficially holds 2.03% in True Partner Capital Holding Limited and has deemed interest in 15.58% in True Partner Capital Holding Limited per note (4) above. Mrs. Chan Kong Yoke Keow is the spouse of Mr. Chan Heng Fai Ambrose and is deemed to be interested in the same number of Shares in which Mr. Chan Heng Fai Ambrose is deemed to be interested in under the SFO.
- (6) Mrs. Anne Joy Bordoni is the spouse of Mr. Edo Bordoni and Mr. Edo Bordoni holds 7.46% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Anne Joy Bordoni is deemed to be interested in the same number of Shares in which Mr. Edo Bordoni is deemed to be interested in under the SFO.
- (7) Mrs. Maria Victoria Diaz Basilio is the spouse of Mr. Roy van Bakel, an executive Director, and Mr. Roy van Bakel holds 6.92% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Maria Victoria Diaz Basilio is deemed to be interested in the same number of Shares in which Mr. Roy van Bakel is deemed to be interested in under the SFO.
- (8) Each of SomethingEls B.V. and ERMA B.V. holds 50% interest in Nardinc Beheer B.V. By virtue of the SFO, SomethingEls B.V. and ERMA B.V. are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO. DASYM Managed Accounts B.V., as investment manager, is 90.1% owned by F.J. Botman Holding B.V. which in turn is wholly owned by Mr. Franciscus Johannes Botman. By virtue of the SFO, DASYM Managed Accounts B.V., F.J. Botman Holding B.V. and Mr. Franciscus Johannes Botman are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons/entities (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company

would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

### Share option scheme

A share option scheme was adopted and approved by the then shareholders of the Company on 22 September 2020 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The principal terms of the Share Option Scheme are summarised in the section of “Directors’ Report” in the Group’s annual report for the year ended 31 December 2023. No share option has been granted by the Company pursuant to the Share Option Scheme since its adoption and up to the date of this report.

### Interests in competing business

None of the Directors or the substantial Shareholders (as defined in the GEM Listing Rules) of the Company (the “**Substantial Shareholders**”) or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person has or may have with the Group for the six months ended 30 June 2024 and up to the date of this report.

### Code of corporate governance practices

The Group has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the GEM Listing Rules. To the best knowledge of the Directors, except for the deviation from code provision C.2.1 of the CG Code, the Group has no material deviation from the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Ralph Paul Johan van Put currently holds the positions of the chairman of the Board and the chief executive officer of the Company. Mr. Ralph Paul Johan van Put has been the key leadership figure of the Group who has been primarily involved in the strategic development and determination of the overall direction of the Group. He has also been directly supervising the senior management of the Group. Taking into account of the above, the Directors consider that the vesting of the roles of chairman and chief executive officer in Mr. Ralph Paul Johan van Put provides a strong leadership to the Group and is beneficial and in the interests of the Company and its shareholders as a whole. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

To ensure check and balance of power and authority on the Board, individuals with a broad range of expertise and experience are on the Board as independent non-executive Directors to offer independent and differing advice and monitor the operations of the Board, including corporate governance aspects of functioning of the Board.

The Company regularly reviews its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

### Directors' securities transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, all Directors have confirmed that they had fully complied with the Code of Conduct during the six months ended 30 June 2024.

### Purchase, sale or redemption of the company's listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sales of treasury shares (as defined in the GEM Listing Rules)) during the six months ended 30 June 2024.

As at the end of the Reporting Period, the Company did not hold any treasury shares.

### Change in information of Director

Mr. Roy van Bakel has resigned as compliance officer of the Company with effect from 1 April 2024.

### Audit committee

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG Code. The primary duties of the Audit Committee mainly include (i) making recommendations to the Board on the appointment and removal of external

auditors; (ii) reviewing and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control procedures; (iv) supervising internal control and risk management systems of the Group; and (v) monitoring continuing connected transactions (if any); and (vi) reviewing arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The members of the Audit Committee include three independent non-executive Directors, namely Ms. Wan Ting Pai, Mr. Jeronimus Mattheus Tielman and Mr. Ming Tak Ngai. Ms. Wan Ting Pai is the chairwoman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Company for the six months ended 30 June 2024 and is of the opinion that such results have been complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By order of the Board  
**True Partner Capital Holding Limited**

**Ralph Paul Johan van Put**  
*Chairman and Chief Executive Officer*

Hong Kong, 29 August 2024

*As at the date of this report, the Board comprises Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster and Mr. Roy van Bakel, each as an executive Director and Mr. Jeronimus Mattheus Tielman, Ms. Wan Ting Pai and Mr. Ming Tak Ngai, each as an independent non-executive Director.*

*This report will remain on the “Latest Listed Company Information” page of The Stock Exchange of Hong Kong Limited website at [www.hkexnews.hk](http://www.hkexnews.hk) for a minimum period of seven days from the date of its publication. This report will also be published on the Company’s website at [www.truepartnercapital.com](http://www.truepartnercapital.com).*

*In the case of inconsistency, the English text of this report shall prevail over the Chinese text.*

# Unaudited condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 30 June 2024

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together as the “**Group**”) for the six months ended 30 June 2024 together with the unaudited comparative figures of the corresponding period in 2023 as set out below:

	Note	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	5,026	8,690
Other income and gain		567	764
Direct costs		(479)	(1,014)
Net gain on financial assets at fair value through profit or loss		198	108
General and administrative expenses		(31,725)	(37,737)
Finance costs		(36)	(69)
Share of results of associates		(329)	(227)
Loss before income tax	5	(26,778)	(29,485)
Income tax expense	6	(93)	(219)
Loss for the period attributable to owners of the Company		(26,871)	(29,704)
Other comprehensive (loss)/income			
Item that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(363)	181
Other comprehensive (loss)/income		(363)	181
Total comprehensive loss for the period attributable to owners of the Company		(27,234)	(29,523)
Loss per share (HK cents)			
- Basic and diluted	8	(6.72)	(7.43)



# Unaudited condensed consolidated statement of financial position

True Partner Capital Holding

As at 30 June 2024

	Note	As at 30 June 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Investments in associates		1,560	1,864
Financial assets at fair value through profit or loss	9	–	16,759
		<u>1,560</u>	<u>18,623</u>
<b>Current assets</b>			
Derivative financial assets	9	708	839
Accounts receivable	10	2,434	1,738
Other receivables	11	7,735	6,847
Deposits placed with brokers		8,814	8,921
Tax recoverable		1,099	1,774
Fixed bank deposit		35,665	418
Cash and cash equivalents		18,119	66,048
		<u>74,574</u>	<u>86,585</u>
Asset classified as held for sale		470	470
		<u>75,044</u>	<u>87,055</u>
<b>Current liabilities</b>			
Accruals and other payables	12	7,121	8,332
Financial liabilities at fair value through profit or loss	9	2	1
Derivative financial liabilities	9	258	306
Lease liabilities		1,045	1,367
Tax payable		152	59
		<u>8,578</u>	<u>10,065</u>
<b>Net current assets</b>		<u>66,466</u>	<u>76,990</u>
<b>Total assets less current liabilities</b>		<u>68,026</u>	<u>95,613</u>
<b>Non-current liability</b>			
Lease liabilities		–	353
<b>Net assets</b>		<u>68,026</u>	<u>95,260</u>

# Unaudited condensed consolidated statement of financial position (cont'd)

As at 30 June 2024

	<i>Note</i>	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<i>As at 31 December 2023 HK\$'000 (Audited)</i>
<b>Capital and reserves</b>			
Share capital	13	<b>157,074</b>	157,074
Reserves		<b>(89,048)</b>	(61,814)
<b>Total equity</b>		<b>68,026</b>	95,260

# Unaudited condensed consolidated statement of changes in equity

True Partner Capital Holding

For the six months ended 30 June 2024

	Reserves								Total
	Share capital	Share premium	Group reorganisation reserve	Exchange reserve	Fair value reserve (Notes (i))	Capital reserve (Notes (ii))	Share option reserve	Retained profits/ (accumulated losses)	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1.1.2023 (audited)	4,000	153,074	1,145	(1,076)	-	(1,093)	4,099	1,621	161,770
Loss for the period	-	-	-	-	-	-	-	(29,704)	(29,704)
Other comprehensive income	-	-	-	181	-	-	-	-	181
Total comprehensive loss for the period	-	-	-	181	-	-	-	(29,704)	(29,523)
Share options lapsed	-	-	-	-	-	-	(4,099)	4,099	-
<b>At 30.6.2023 (unaudited)</b>	<b>4,000</b>	<b>153,074</b>	<b>1,145</b>	<b>(895)</b>	<b>-</b>	<b>(1,093)</b>	<b>-</b>	<b>(23,984)</b>	<b>132,247</b>
At 1.1.2024 (audited)	4,000	153,074	1,145	(585)	-	(1,093)	-	(61,281)	95,260
Loss for the period	-	-	-	-	-	-	-	(26,871)	(26,871)
Other comprehensive loss	-	-	-	(363)	-	-	-	-	(363)
Total comprehensive loss for the period	-	-	-	(363)	-	-	-	(26,871)	(27,234)
<b>At 30.6.2024 (unaudited)</b>	<b>4,000</b>	<b>153,074</b>	<b>1,145</b>	<b>(948)</b>	<b>-</b>	<b>(1,093)</b>	<b>-</b>	<b>(88,152)</b>	<b>68,026</b>

Notes:

- (i) Fair value reserve represents the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.
- (ii) Capital reserve represents equity transaction between the Group and the non-controlling interests in prior years.

# Unaudited condensed consolidated statement of cash flows

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(26,778)	(29,485)
Adjustments for:		
Fair value gain arising from financial instruments at fair value through profit or loss	(198)	(108)
Net gain on fair value changes of derivatives	(652)	–
Amortisation of intangible assets	–	142
Depreciation of plant and equipment	–	790
Depreciation of right-of-use assets	–	706
Dividend income	–	(247)
Interest income	(521)	(51)
Interest expense	36	69
Share of results of associates	329	227
Operating loss before working capital changes	(27,784)	(27,957)
Changes in working capital:		
Accounts receivable	(696)	2,857
Other receivables	(888)	(82)
Deposits placed with brokers	107	(157)
Accruals and other payables	(1,211)	(1,653)
Cash used in operations	(30,472)	(26,992)
Interest received	521	51
Payments arising from option premiums and net settlement of derivatives	737	–
Income tax refunded	675	–
<b>Net cash used in operating activities</b>	<b>(28,539)</b>	<b>(26,941)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of financial assets at fair value through profit and loss	16,957	–
Purchases of plant and equipment	–	(483)
Dividend received	–	247
Placement of fixed bank deposits	(35,247)	–
<b>Net cash used in investing activities</b>	<b>(18,290)</b>	<b>(236)</b>

# Unaudited condensed consolidated statement of cash flows (cont'd)

True Partner Capital Holding

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
<b>Cash flows from financing activities</b>		
Principal element of lease rentals payment	(675)	(680)
Interest element of lease rentals payment	(36)	(69)
<b>Net cash used in financing activities</b>	<b>(711)</b>	<b>(749)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(47,540)</b>	<b>(27,926)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>66,048</b>	<b>122,710</b>
<b>Effect of foreign exchange rate changes</b>	<b>(389)</b>	<b>684</b>
<b>Cash and cash equivalents at end of the period</b>	<b>18,119</b>	<b>95,468</b>
<b>Analysis of the balance of cash and cash equivalents</b>		
Cash at bank	<b>18,119</b>	<b>95,468</b>

# Notes to the unaudited condensed consolidated financial statements

## 1. Corporate information

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is located at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands and its principal place of business is located at Suites 2902-03, 29/F., Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in fund management business, derivative trading and providing consultancy services.

The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited on 16 October 2020.

## 2. Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 has been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the applicable disclosures required by the Rules Governing the Listing of securities on GEM of The Stock Exchange.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with those of the annual report for the year ended 31 December 2023.

The accounting policies adopted in preparing the unaudited condensed consolidated financial statements are consistent with those applied in the consolidated financial statements of the Group for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective as of 1 January 2024. The adoption of the new standards and amendments does not have a material impact on the accounting policies of the Group, and the amounts reported for the current interim period and prior interim periods. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are carried at fair value at the end of the reporting period.

It should be noted that accounting estimates and assumptions are used in the preparation of the unaudited condensed consolidated financial statements. Although these estimates are based on the management’s best knowledge and judgement to current events and actions, actual results may ultimately differ from those estimates.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have not been audited by the Company’s auditor, but have been reviewed by the Company’s audit committee.

3. Segment information

(a) Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations in Hong Kong. In order to maximise trading opportunities in different stock markets around the world, the Group also has trading offices in Chicago and The Netherlands.

Geographical information of revenue for the six months ended 30 June 2024 and 2023, is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Hong Kong	<b>3,412</b>	6,086
Chicago	<b>1,614</b>	2,604
	<b>5,026</b>	8,690

(b) Information about major customers

For the six months ended 30 June 2024 and 2023, revenue from major customers who contributed over 10% of the total revenue of the Group are as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>2023</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Customer A	<b>1,191</b>	4,966
Customer B	–	1,300
Customer C	<b>1,321</b>	1,304
Customer D	<b>729</b>	–

# Notes to the unaudited condensed consolidated financial statements (cont'd)

## 4. Revenue

An analysis of the Group's revenue is as follows:

### Revenue

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from funds and managed accounts</b>		
Management fee income	<u>3,534</u>	8,372
	<b>3,534</b>	8,372
<b>Revenue from consultancy services</b>		
	<u>840</u>	318
	<b>4,374</b>	8,690
Other source:		
Net gain on derivatives	<u>652</u>	–
	<b>5,026</b>	8,690

Timing of revenue recognition:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
At a point of time	<u>840</u>	318
Over time	<u>3,534</u>	8,372
	<b>4,374</b>	8,690



5. Loss before income tax

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss before income tax is arrived at after charging:		
Amortisation of intangible assets	–	142
Auditor's remuneration	<b>568</b>	776
Depreciation of plant and equipment	–	790
Depreciation of right-of-use assets	–	706
Short-term lease expenses	<b>720</b>	894
Employee benefits (including directors' remuneration)		
- Salaries and other benefits	<b>17,701</b>	21,859
- Pension scheme contributions	<b>793</b>	912
	<b>18,494</b>	22,771
Exchange loss	<b>451</b>	596
Management fee expenses recognised as direct cost	<b>479</b>	1,014
Interest expense on lease liabilities	<b>36</b>	69

## Notes to the unaudited condensed consolidated financial statements (cont'd)

### 6. Income tax expense

Income tax expense for the period represents:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current tax - Hong Kong		
Provision for the period	<b>93</b>	<b>219</b>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the group entities are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

For the group entities that are domiciled and operate in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both years, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the group entities that are domiciled and operate in the United States, they are subject to corporate income tax in the United States. The applicable federal income tax rate is 21% on taxable income and the applicable state income tax rate is 9.5% on State taxable income. No tax provision has been made on these group entities as there is no estimated taxable profits.

For the group entities that are domiciled and operate in the Netherlands, they are subject to corporate tax rate of 19% on taxable profits up to EUR200,000. The corporate income tax rate is 25.8% on taxable profits exceed EUR200,000. No tax provision has been made on these group entities as there is no estimated taxable profits.

For the group entity that is domiciled and operates in Singapore, it is subject to corporate tax rate of 17% on taxable profits. No tax provision has been made on this group entity as there is no estimated taxable profits.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%. No tax provision has been made on this group entity as there is no estimated taxable profits.

During the six months ended 30 June 2024, no share of tax attributable to associates (six months ended 30 June 2023: Nil) was included in the share of results of associates.

### 7. Dividend

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

## 8. Loss per share

The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 400,000,000 (six months ended 30 June 2023: 400,000,000) shares in issue during the period.

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss</b>		
Loss for the period attributable to owners of the Company	<u><b>(26,871)</b></u>	<u><b>(29,704)</b></u>
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	<u><b>400,000,000</b></u>	<u><b>400,000,000</b></u>

Note:

Diluted loss per share for the six months ended 30 June 2024 and 2023 is the same as the basic loss per share as there were no potential ordinary shares in issue during the period ended 30 June 2024 and the effect of the conversion of the Company's share options would result in an antidilutive effect on the loss per share in 2023.

## Notes to the unaudited condensed consolidated financial statements (cont'd)

### 9. Financial assets/liabilities at fair value through profit or loss

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
<b>Non-current assets</b>		
Investment in an unlisted investment fund - Note 9(a)(b)	—	16,759
<b>Current assets</b>		
Long position with the derivatives listed in China	708	839
<b>Current liabilities</b>		
Short position with the underlying equity securities listed in Hong Kong	2	1
Short position with the derivatives listed in China	258	306
	<b>260</b>	<b>307</b>

Notes:

- (a) The investment fund, True Partner Fund, is managed by True Partner Advisor Limited, a subsidiary of the Company.
- (b) During the six months ended 30 June 2024, the Group redeemed the entire True Partner Fund with amount of HK\$17 million.

10. Accounts receivable

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
Consultancy service fee receivable	805	264
Management fee receivable	1,629	1,463
Performance fee receivable	–	11
	<u>2,434</u>	<u>1,738</u>

Notes:

(a) The aging analysis of accounts receivable, based on the transaction date, is as follows:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
Less than 30 days	1,384	1,738
31 - 60 days	404	–
Over 90 days but less than 1 year	646	–
	<u>2,434</u>	<u>1,738</u>

(b) The aging analysis of accounts receivable, based on the due date, is as follows:

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
Not past due	1,384	1,738
1 - 30 days	404	–
Over 90 days but less than 1 year	646	–
	<u>2,434</u>	<u>1,738</u>

# Notes to the unaudited condensed consolidated financial statements (cont'd)

## 11. Other receivables

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
Deposits	3,656	3,042
Other receivables	1,566	1,672
Prepayments	2,513	2,133
	<u>7,735</u>	<u>6,847</u>

## 12. Accruals and other payables

	<b>As at 30 June 2024 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2023 HK\$'000 (Audited)</b>
Accrued employee benefits	2,582	4,856
Accrued expenses	4,411	3,355
Other payables	128	121
	<u>7,121</u>	<u>8,332</u>

## 13. Share capital

	<b>Number of shares</b>	<b>Share capital HK\$'000</b>	<b>Share premium HK\$'000</b>	<b>Total HK\$'000</b>
<b>Authorised:</b>				
Ordinary shares of HK\$0.01 each At 31.12.2022, 1.1.2023 and 30.6.2023	<u>10,000,000,000</u>	<u>100,000</u>		
<b>At 31.12.2023, 1.1.2024 and 30.6.2024</b>	<b><u>10,000,000,000</u></b>	<b><u>100,000</u></b>		
<b>Issued and fully paid:</b>				
At 31.12.2022, 1.1.2023 and 30.6.2023	<u>400,000,000</u>	<u>4,000</u>	<u>153,074</u>	<u>157,074</u>
<b>At 31.12.2023, 1.1.2024 and 30.6.2024</b>	<b><u>400,000,000</u></b>	<b><u>4,000</u></b>	<b><u>153,074</u></b>	<b><u>157,074</u></b>

14. Related party transactions

- (a) In addition to the related party information disclosed elsewhere in the unaudited condensed consolidated financial statements, the Group had the following significant transactions with its related parties during the period:

		Note	Six months ended 30 June	
			2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<i>Name of related parties</i>	<i>Nature of transactions</i>			
True Partner Fund ("TPF")	Management fee income	(i), (ii)	1,190	4,966
True Partner Volatility Fund ("TPVF")	Management fee income	(i), (iii)	<u>729</u>	<u>802</u>

Notes:

- (i) A director of the Company is a member of key management personnel of these funds.
- (ii) For the six months ended 30 June 2024 and 2023, included in the management fee income from TPF is an amount of HK\$60,000 and HK\$167,000 respectively attributable to the investments in TPF held by True Partner Advisor Limited, a subsidiary of the Company.
- (iii) For the six months ended 30 June 2024 and 2023, included in the management fee income from TPVF is an amount of approximately HK\$43,000 and HK\$44,000 respectively attributable to the investments in TPVF held by a director of the Company.

## Notes to the unaudited condensed consolidated financial statements (cont'd)

### 14. Related party transactions (cont'd)

#### (b) Compensation of key management personnel

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term employee benefits	<b>7,682</b>	8,767
Pension scheme contributions	<b>133</b>	122
	<b>7,815</b>	8,889

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors are considered as key management personnel of the Group.

### 15. Approval of the interim financial information

The interim financial information was approved and authorised for issue by the board of directors on 29 August 2024.