

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## HONG KONG RESOURCES HOLDINGS COMPANY LIMITED

香港資源控股有限公司

*(Incorporated in Bermuda with limited liability  
and carrying on business in Hong Kong as HKRH China Limited)*  
(Stock code: 2882)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Hong Kong Resources Holdings Company Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2023.

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

*For the year ended 30 June 2023*

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Revenue	3(a)	<b>804,292</b>	901,974
Cost of sales and services rendered		<b>(632,732)</b>	(705,824)
Gross profit		<b>171,560</b>	196,150
Other income		<b>10,509</b>	7,492
Selling expenses		<b>(177,533)</b>	(197,366)
General and administrative expenses		<b>(72,550)</b>	(76,140)
Other gains and losses		<b>(11,445)</b>	(9,412)
Change in fair value of derivatives embedded in convertible bonds		<b>(219)</b>	2,290
Loss on early redemption of convertible bonds		–	(9,650)
Loss on disposal of subsidiaries		–	(3)
Reversal of impairment loss/(impairment loss) on trade receivables recognised under expected credit loss model		<b>315</b>	(870)
Finance costs	4	<b>(79,033)</b>	(42,250)

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
Loss before taxation	5	(158,396)	(129,759)
Income tax credit	6	<u>2,677</u>	<u>12,955</u>
Loss for the year		<u>(155,719)</u>	<u>(116,804)</u>
Other comprehensive (expense)/income			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange difference arising on translation		<u>15,615</u>	<u>18,255</u>
<i>Item that will be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(51,595)</u>	<u>(16,372)</u>
Other comprehensive (expense)/income for the year		<u>(35,980)</u>	<u>1,883</u>
Total comprehensive expense for the year		<u><b>(191,699)</b></u>	<u><b>(114,921)</b></u>
Loss for the year attributable to:			
Owners of the Company		(89,744)	(78,919)
Non-controlling interests		<u>(65,975)</u>	<u>(37,885)</u>
		<u><b>(155,719)</b></u>	<u><b>(116,804)</b></u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(110,792)	(71,639)
Non-controlling interests		<u>(80,907)</u>	<u>(43,282)</u>
		<u><b>(191,699)</b></u>	<u><b>(114,921)</b></u>
Loss per ordinary share			
Basic	8	<u><b>(HK\$0.333)</b></u>	<u><b>(HK\$0.352)</b></u>
Diluted	8	<u><b>(HK\$0.333)</b></u>	<u><b>(HK\$0.352)</b></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>15,377</b>	16,337
Right-of-use assets		<b>15,362</b>	16,254
Deposits paid		<b>2,701</b>	1,826
Intangible assets		<b>168,066</b>	168,066
Equity instruments at fair value through other comprehensive income		<b>–</b>	–
Deferred tax assets		<b>22,795</b>	19,896
		<b>224,301</b>	222,379
<b>Current assets</b>			
Inventories		<b>532,889</b>	602,939
Right to returned goods asset		<b>2,665</b>	2,609
Trade and other receivables and deposits paid	9	<b>75,236</b>	74,182
Derivative component of convertible bonds		<b>9,577</b>	1,791
Pledged bank deposits		<b>864,396</b>	797,759
Bank balances and cash		<b>71,229</b>	84,599
		<b>1,555,992</b>	1,563,879
<b>Current liabilities</b>			
Trade and other payables, accruals and deposits received	10	<b>152,852</b>	134,793
Bank and other borrowings		<b>1,715,211</b>	1,563,500
Contract liabilities		<b>14,371</b>	15,571
Refund liabilities		<b>9,668</b>	9,130
Lease liabilities		<b>13,749</b>	11,214
Derivative component of convertible bonds		<b>10,079</b>	1,979
Income tax liabilities		<b>122</b>	320
Amount due to a director		<b>3,394</b>	–
Convertible bonds		<b>87,452</b>	–
		<b>2,006,898</b>	1,736,507
<b>Net current liabilities</b>		<b>(450,906)</b>	(172,628)
<b>Total assets less current liabilities</b>		<b>(226,605)</b>	49,751

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>Non-current liabilities</b>		
Convertible bonds	–	81,072
Lease liabilities	<b>2,118</b>	5,703
Loan from a non-controlling shareholder of a subsidiary	<b>100,000</b>	100,000
Deferred tax liabilities	<b>42,016</b>	42,016
	<u><b>144,134</b></u>	<u>228,791</u>
<b>NET LIABILITIES</b>	<u><b>(370,739)</b></u>	<u>(179,040)</u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	<b>270</b>	270
Reserves	<b>(191,993)</b>	(81,201)
	<u><b>(191,723)</b></u>	<u>(80,931)</u>
Deficit attributable to owners of the Company	<b>(179,016)</b>	(98,109)
Non-controlling interests	<b>(179,016)</b>	(98,109)
	<u><b>(370,739)</b></u>	<u>(179,040)</u>
<b>TOTAL DEFICIT</b>	<u><b>(370,739)</b></u>	<u>(179,040)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 30 June 2023*

## 1. GOING CONCERN BASIS

The Group incurred a net loss of approximately HK\$155,719,000 for the year ended 30 June 2023 and as at that date, the Group had net current liabilities and net liabilities of approximately HK\$450,906,000 and HK\$370,739,000 respectively, all of which are substantially attributable to operating and financial difficulties sustained by China Gold Silver Group Company Limited (“CGS”), a non-wholly owned subsidiary of the Company, whereas the Group only had bank balances and cash of approximately HK\$71,229,000 as at 30 June 2023. The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and the financial position of the Group and the Group’s available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Group has taken plans and measures to mitigate its liquidity pressure and improve its financial position, including active negotiation with Luk Fook Holdings (International) Limited (“Luk Fook”), the ultimate holding company of the non-controlling shareholder of CGS, to provide sufficient financial support to CGS after the completion of the acquisitions of the Company’s shares and convertible bonds by Luk Fook 3D Investment Holding Company Limited, a wholly-owned subsidiary of Luk Fook, whereas the details of the acquisitions are set out in the joint announcement made by the Company and Luk Fook on 28 July 2023. Up to the date of the approval for issuance of the Group’s consolidated financial statements, the aforesaid acquisitions are not yet completed.

The directors of the Company have prepared the Group’s cash flow projections which cover a period of not less than twelve months from 30 June 2023. The directors of the Company are of the opinion that, taking into account of the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures by the Group are in progress and no written contractual agreement in respect of the financial support is available to the Group as at the date of the approval for issuance of the consolidated financial statements, material uncertainties exist as to whether the management of the Group will be able to achieve its plans and measures as mentioned above. Whether the Group will be able to continue as a going concern would depend upon the Group’s ability to mitigate its liquidity pressure and improve the financial position of the Group through the successful negotiation with Luk Fook for the sufficient financial support to CGS after the completion of the aforesaid acquisitions.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2022 for the preparation of the consolidated financial statements.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKFRS 37	Provision, Contingent Liabilities and Contingent Assets: Onerous Contract – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRSs in issue but not yet effective

The Group has not early adopt the following new and amendments to HKFRSs that have been issued but are not yet effective in these consolidated financial statements:

HKFRS 17 and related amendments	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-Current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement <sup>3</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after at a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>4</sup> Immediately effective for the disclosure of the use of mandatory temporary exception (from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes) upon issuance of the amendments and retrospectively. The remaining disclosure requirements apply for annual periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

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

### 3. REVENUE AND SEGMENT INFORMATION

#### a) Revenue

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

	Retail sales and franchising operations for selling gold and jewellery products in Mainland China		Retail sales operations for selling gold and jewellery products in Hong Kong and Macau		New media marketing service business in Mainland China		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Retails sales of goods	449,216	586,759	88,028	71,424	-	-	-	-	537,244	658,183
Sales of E-commerce goods	55,106	21,487	-	-	-	-	-	-	55,106	21,487
Franchising and licensing income	26,164	38,211	-	-	-	-	-	-	26,164	38,211
New media marketing services	-	-	-	-	183,802	183,725	-	-	183,802	183,725
Cloud computer solution services	-	-	-	-	-	-	1,976	368	1,976	368
	<u>530,486</u>	<u>646,457</u>	<u>88,028</u>	<u>71,424</u>	<u>183,802</u>	<u>183,725</u>	<u>1,976</u>	<u>368</u>	<u>804,292</u>	<u>901,974</u>

#### Disaggregation of revenue for the year ended 30 June 2023

	Retail sales and franchising operations for selling gold and jewellery products in Mainland China HK\$'000	Retail sales operations for selling gold and jewellery products in Hong Kong and Macau HK\$'000	New media marketing service business in Mainland China HK\$'000	Other HK\$'000	Total HK\$'000
Geographical markets					
– Mainland China	530,486	-	183,802	1,976	716,264
– Hong Kong and Macau	-	88,028	-	-	88,028
	<u>530,486</u>	<u>88,028</u>	<u>183,802</u>	<u>1,976</u>	<u>804,292</u>
Timing of revenue recognition					
– A point in time	504,322	88,028	183,802	1,976	778,128
– Over time	26,164	-	-	-	26,164
	<u>530,486</u>	<u>88,028</u>	<u>183,802</u>	<u>1,976</u>	<u>804,292</u>

Disaggregation of revenue for the year ended 30 June 2022

	Retail sales and franchising operations for selling gold and jewellery products in Mainland China <i>HK\$'000</i>	Retail sales operations for selling gold and jewellery products in Hong Kong and Macau <i>HK\$'000</i>	New media marketing service business in Mainland China <i>HK\$'000</i>	Other <i>HK\$'000</i>	Total <i>HK\$'000</i>
Geographical markets					
– Mainland China	646,457	–	183,725	368	830,550
– Hong Kong and Macau	–	71,424	–	–	71,424
	<u>646,457</u>	<u>71,424</u>	<u>183,725</u>	<u>368</u>	<u>901,974</u>
Timing of revenue recognition					
– A point in time	608,246	71,424	183,725	368	863,763
– Over time	38,211	–	–	–	38,211
	<u>646,457</u>	<u>71,424</u>	<u>183,725</u>	<u>368</u>	<u>901,974</u>

**b) Segment information**

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods and geographical location. This is the basis upon which the Group is organised.

Specifically, the Group's operating and reportable segments under HKFRS 8 "*Operating Segments*" are as follows:

- i) Retail sales and franchising operations for gold and jewellery products in Mainland China;
- ii) Retail sales operations for gold and jewellery products in Hong Kong and Macau; and
- iii) New media marketing service business in Mainland China.

Major products of the Group include gold products and jewellery products.



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

**Segment revenues and results**

**For the year ended 30 June 2023**

	Reportable segments					Consolidated HK\$'000
	Retail sales and franchising operations for selling gold and jewellery products in Mainland China HK\$'000	Retail sales operations for selling gold and jewellery products in Hong Kong and Macau HK\$'000	New media marketing service business in Mainland China HK\$'000	Total HK\$'000	Other (Note) HK\$'000	
<b>REVENUE</b>						
External sales	<u>530,486</u>	<u>88,028</u>	<u>183,802</u>	<u>802,316</u>	<u>1,976</u>	<u>804,292</u>
<b>RESULTS</b>						
Segment (loss)/profit	<u>(18,177)</u>	<u>(7)</u>	<u>3,494</u>	<u>(14,690)</u>	<u>-</u>	<u>(14,690)</u>
Unallocated other income						6,209
Unallocated corporate staff and directors' salaries						(25,206)
Other unallocated corporate expenses						(15,898)
Advertising, promotion and business development expenses						(19,286)
Change in fair value of derivatives embedded in convertible bonds						(219)
Exchange loss, net						(11,388)
Unallocated finance costs						<u>(77,918)</u>
Loss before taxation						(158,396)
Income tax credit						<u>2,677</u>
Loss for the year						<u><u>(155,719)</u></u>

	Reportable segments					Consolidated HK\$'000
	Retail sales and franchising operations for selling gold and jewellery products in Mainland China HK\$'000	Retail sales operations for selling gold and jewellery products in Hong Kong and Macau HK\$'000	New media marketing service business in Mainland China HK\$'000	Total HK\$'000	Other (Note) HK\$'000	
<b>REVENUE</b>						
External sales	<u>646,457</u>	<u>71,424</u>	<u>183,725</u>	<u>901,606</u>	<u>368</u>	<u>901,974</u>
<b>RESULTS</b>						
Segment (loss)/profit	<u>(15,277)</u>	<u>(1,068)</u>	<u>1,981</u>	<u>(14,364)</u>	<u>–</u>	<u>(14,364)</u>
Unallocated other income						3,091
Unallocated corporate staff and directors' salaries						(27,437)
Other unallocated corporate expenses						(13,268)
Advertising, promotion and business development expenses						(20,973)
Loss on disposal of subsidiaries						(3)
Change in fair value of derivatives embedded in convertible bonds						2,290
Loss on early redemption of convertible bonds						(9,650)
Exchange loss, net						(8,313)
Unallocated finance costs						<u>(41,132)</u>
Loss before taxation						(129,759)
Income tax credit						<u>12,955</u>
Loss for the year						<u>(116,804)</u>

*Note:* Other represents other operating segment that is not reportable, which includes the provision of cloud computer solution services.

Segment (loss)/profit represents the (loss)/profit of each segment without allocation of unallocated other income, advertising, promotion and business development expenses, unallocated corporate staff and directors' salaries, loss on disposal of subsidiaries, change in fair value of derivatives embedded in convertible bonds, loss on early redemption of convertible bonds, net exchange loss, other unallocated corporate expenses, unallocated finance costs and income tax credit. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

#### 4. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interests on:		
Bank and other borrowings	74,241	32,655
Loans from a non-controlling shareholder of a subsidiary	–	1,163
Lease liabilities	1,429	1,467
Effective interest on convertible bonds	<u>3,363</u>	<u>6,965</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u><u>79,033</u></u>	<u><u>42,250</u></u>

#### 5. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration	2,420	2,270
Cost of inventories recognised as an expense	454,623	525,326
Depreciation of property, plant and equipment	10,083	11,460
Depreciation of right-of-use assets	16,049	13,398
Allowance of inventories, net (included in cost of sales)	<u>2,618</u>	<u>1,407</u>

#### 6. INCOME TAX CREDIT

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current tax:		
The People's Republic of China (the "PRC") Enterprise Income Tax	222	2,478
PRC Withholding Tax		
– current year	–	–
– over-provision in prior years	<u>–</u>	<u>(9,122)</u>
Deferred taxation	<u>(2,899)</u>	<u>(6,644)</u>
	<u><u>(2,677)</u></u>	<u><u>(12,955)</u></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two- tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for taxation in Hong Kong has been made for both years as the Group incurred tax losses in Hong Kong.

Pursuant to rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in Bermuda and the BVI.

Pursuant to the Enterprise Income Tax Law and Implementation Rules of the PRC, subsidiaries of the Company established in the PRC are subject to an income tax rate of 25% for both years. Certain subsidiaries established in Chongqing (the “**Relevant Subsidiaries**”), a municipality in Western China, were engaged in a specific state-encouraged industry as defined under the new “Catalogue of Encouraged Industries in the Western Region” (effective from 1 October 2014) pursuant to《財政部、海關總署、國家稅務總局關於深入實施西部大開發戰略有關稅收政策問題的通知》(Caishui [2011] No. 58) issued in 2011 and were subject to a preferential tax rate of 15% when the annual revenue from the encouraged business exceeded 70% of each subsidiary’s total revenue in a fiscal year. Pursuant to《關於延續西部大開發企業所得稅政策的公告》(Announcement No. 23 of the Ministry of Finance in 2020) issued in April 2020, the Relevant Subsidiaries were subject to a preferential tax rate of 15% from 1 January 2021 to 31 December 2030, when the annual revenue from the encouraged business exceeded 60% of each subsidiary’s total revenue in a fiscal year.

Pursuant to《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, certain subsidiaries qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1.00 million, 25% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1.00 million but not exceeding RMB3.00 million, 50% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%. Pursuant to《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2021] No. 12) issued in 2021, for the portion of annual taxable income less than RMB1.00 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, the PRC Enterprise Income Tax will be reduced by half.

No provision for the Macau Complementary Tax has been made as the Group has no assessable profits in Macau for both years.

PRC withholding income tax of 5% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008.

## 7. DIVIDENDS

No dividend was paid or proposed for both years ended 30 June 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

## 8. LOSS PER ORDINARY SHARE

	<b>2023</b> <b>HK\$'000</b>	2022 <b>HK\$'000</b>
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per ordinary share ( <i>note (i)</i> )	<u><u>(89,744)</u></u>	<u><u>(78,919)</u></u>
	<b>2023</b> <b>'000</b>	2022 <b>'000</b>
Number of ordinary shares:		
Weighted average number of ordinary share for the purpose of basic and diluted loss per ordinary share ( <i>notes (i) &amp; (ii)</i> )	<u><u>269,672</u></u>	<u><u>224,165</u></u>

### Notes:

- i) The calculation of diluted loss per ordinary share for the years ended 30 June 2023 and 2022 did not assume the conversion of convertible bonds, since the conversion would result in an anti-dilutive effect on loss per share.
- ii) For the years ended 30 June 2023 and 2022, the computation of diluted loss per ordinary share did not assume the exercise of share options because the share options had an anti-dilutive effect on the basic loss per ordinary share.

## 9. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period up to 90 days (2022: up to 90 days) to its debtors.

Included in trade and other receivables and deposits paid are trade receivables, net of allowance for credit losses, of HK\$47,692,000 (2022: HK\$45,348,000) and an aged analysis based on invoice date at the end of the reporting period, is as follows:

	<b>2023</b> <b>HK\$'000</b>	2022 <b>HK\$'000</b>
0-30 days	<b>36,844</b>	35,616
31-60 days	<b>5,671</b>	581
61-90 days	<b>3,448</b>	1,892
Over 90 days	<u><b>1,729</b></u>	<u>7,259</u>
	<u><u><b>47,692</b></u></u>	<u><u>45,348</u></u>

## 10. TRADE AND OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

Included in trade and other payables, accruals and deposits received are trade payables of HK\$31,106,000 (2022: HK\$14,032,000) and an aged analysis based on the invoice date at the end of the reporting period is as follows:

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
0-30 days	<b>21,005</b>	14,011
31-60 days	<b>7,571</b>	7
61-90 days	<b>2,304</b>	1
Over 90 days	<b>226</b>	13
	<u><b>31,106</b></u>	<u>14,032</u>

## 11. OTHER COMMITMENT

The Group was committed on 29 June 2022 to enter into a new lease of a retail shop in Hong Kong for the period from 1 August 2022 to 31 July 2023. The lease payments under which amounted to HK\$990,000.

## 12. PLEDGE OF ASSETS

As at 30 June 2023, the Group's bank deposits with carrying amounts of HK\$864,396,000 (2022: HK\$797,759,000) were pledged to banks as securities to obtain the banking facilities granted to subsidiaries of the Group.

As at 30 June 2023, the Group has a loan (the "MF Loan") in the principal sum of HK\$10,000,000 granted by an independent third party money lender (the "MF Lender"). The MF Loan was secured by (i) the execution by the Company of the first priority debenture creating a fixed and floating charge over the undertaking, property and assets of the Company in favour of the MF Lender; (ii) the personal guarantee of Mr. Li Ning; and (iii) the personal guarantee of Mr. Wang Chaoguang. Both of them are the executive directors of the Company.

On 28 July 2023, the Company obtained another loan from Luk Fook Finance Company Limited and the MF Loan was fully repaid and the MF debenture was released on the same date. Further details of the loan from Luk Fook Finance Company Limited is set out in item (a) of the paragraph headed "Events after the reporting period" of this announcement.

Save as disclosed above, as at 30 June 2023, there was no charge created over the Group's assets.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report on the consolidated financial statements of the Group for the year ended 30 June 2023.

### **Disclaimer of opinion**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

#### *Material uncertainties relating to going concern*

As set out in Note 2 to the consolidated financial statements, the Group incurred a net loss of approximately HK\$155,719,000 for the year ended 30 June 2023 and as at that date, the Group had net current liabilities and net liabilities of approximately HK\$450,906,000 and HK\$370,739,000 respectively, all of which are substantially attributable to operating and financial difficulties sustained by China Gold Silver Group Company Limited (“**CGS**”), a non-wholly owned subsidiary of the Company, whereas the Group only had bank balances and cash of approximately HK\$71,229,000 as at 30 June 2023.

The directors of the Company have been undertaking a number of plans and measures to improve the Group’s liquidity and financial position, which are set out in Note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these plans and measures, which include successful negotiation with Luk Fook Holdings (International) Limited (“**Luk Fook**”), the ultimate holding company of the non-controlling shareholder of CGS, to provide sufficient financial support to CGS. These conditions indicate the existence of material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

However, we were unable to obtain sufficient appropriate audit evidence or verify by alternative means that Luk Fook agrees to provide sufficient financial support to CGS. We were unable to form an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate and we disclaim our opinion on the consolidated financial statements of the Group in respect of year ended 30 June 2023. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The effects of these adjustments have not been reflected in the consolidated financial statements.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

The Group is principally engaged in trademark licensing and retailing for gold and jewellery products in Hong Kong and Mainland China and providing new media marketing service in Mainland China.

In the second half of 2022, as COVID-19 cases spread across Mainland China and local pandemic containment measures were reintroduced, retail business were disrupted and foot traffic fell. The negative sentiment was amplified in December as the pandemic situation heightened and infection cases penetrated across Mainland China. China's economy inevitably slowed down resulting in sluggish retail sales during the period. On the positive side, the Hong Kong governments implemented consumption voucher schemes which helped to boost local economies, and following the vaccination drives and the lifting of restrictions, we saw Hong Kong's retail business start a post-COVID recovery.

### **RESULTS OF THE GROUP**

The revenue of the Group for the year ended 30 June 2023 (“**FY2023**”) amounted to approximately HK\$804.3 million, representing a decrease of approximately 10.8% as compared with that of approximately HK\$902.0 million for the year ended 30 June 2022 (“**FY2022**”). Approximately HK\$530.5 million (approximately 66.0% of the revenue of the Group) was generated from the gold and jewellery retail business in Mainland China for FY2023, representing a decrease of approximately 17.9% as compared with that of approximately HK\$646.5 million (approximately 71.7% of the revenue of the Group) generated from the same segment for FY2022. Similarly, approximately HK\$88.0 million (approximately 10.9% of the revenue of the Group) was generated from the gold and jewellery retail business in Hong Kong and Macau for FY2023, representing an increase of approximately 23.2% as compared with that of approximately HK\$71.4 million (approximately 7.9% of the revenue of the Group) generated from the same segment for FY2022. The New Media Marketing Business contributed approximately HK\$183.8 million (approximately 22.9% of the total revenue of the Group) for FY2023, representing an increase of approximately 0.1% as compared with that of approximately HK\$183.7 million (approximately 20.4% of the total revenue of the Group) generated from the same segment for FY2022. The decrease in revenue was mainly due to the decrease in retail and franchising revenue as there were resurgence of COVID-19 infected cases causing intermittent suspension of shops in various regions of Mainland China.



The gross profit of the Group decreased from approximately HK\$196.2 million for FY2022 to approximately HK\$171.6 million for FY2023, representing a decrease of approximately 12.5%. The decrease in gross profit was generally in line with the decrease in revenue as discussed above. The loss attributable to owners of the Company was approximately HK\$89.7 million for FY2023, representing an increase from that of approximately HK\$78.9 million for FY2022 by approximately HK\$10.8 million. The increase in loss was primarily attributable to (i) the increase in finance cost by approximately HK\$36.8 million, which was mainly due to the increase in bank borrowings and interest rates; (ii) the aforesaid decrease in gross profit by approximately HK\$24.6 million for FY2023; and (iii) decrease in income tax credit by approximately HK\$10.3 million, and partially offset by (i) the increase in loss attributable to non-controlling interests by approximately HK\$28.1 million, which was mainly related to the loss of the gold and jewellery retail business, the operating subsidiaries of which are non-wholly owned subsidiaries of the Company; and (ii) the decrease in selling expenses by approximately HK\$19.8 million (or 10.0%), which was generally in line with the decrease in revenue by approximately 10.8% as stated above.

### **Gold and Jewellery Retail Business**

The retail revenue was approximately HK\$592 million for FY2023, representing a decrease of 13% from approximately HK\$680 million for FY2022. Retailing of gold and jewellery products accounted for 74% (2022: 75%) of total turnover. Mainland China continued to be the Group's major market, contributing 85% (2022: 89%) of retail sales for FY2023. The retail revenue from Mainland China decreased by 17% to approximately HK\$504 million for FY2023 from approximately HK\$608 million FY2022. The Group's retail revenue from Hong Kong and Macau market was approximately HK\$88 million for FY2023, representing an increase of 23% from approximately HK\$72 million for FY2022. The Group recorded a decline in overall same-store growth of 11% (2022: decline of 17%), of which same-store growth in Mainland China was a decline of 14% (2022: decline of 18%) and in Hong Kong and Macau was a growth of 5% (2022: growth of 42%).

As at 30 June 2023, the Group had 3 points-of-sale in Hong Kong and 267 points-of-sale in Mainland China under the brand name "3D-GOLD." Of the points-of-sale in Mainland China, 57 are self-operated points-of-sale and 210 are licensee points-of-sale.

The Group's self-operated points-of-sale are located at department stores or shopping malls within prime shopping districts in Mainland China and most of them are subject to turnover-based rent. The Hong Kong and Macau operations are, on the other hand, subject to fixed rentals. Management is currently engaged in negotiations with individual landlords to maintain the effective rentals at a reasonable level.

The Group's strategy in Mainland China is to continue to focus on the growth of licensee stores. This model gives the Group the option to leverage the capital, local knowledge and premises of its licensees, a flexible and fast roll out strategy that requires minimal capital outlay from the Group. This model enables the management to make critical decisions at times of market changes with minimal adverse impact on the Group.

With an aim to improve the profitability, the management has focused on the following areas through implementing various measures: (i) adjusting the sales network by focusing on profit-making stores and closing down non-performing stores, (ii) introducing a new regional franchisee system to strengthen the retail operations, (iii) continuing to develop and promote new product series, (iv) persistent costs control including requesting landlords to provide rental reduction or relief; and (v) improving cash flow. The opening, renewal and closing of the Group's points-of-sales in Hong Kong, Macau, and Mainland China will be reviewed continually to ensure consistence with its overall business plan and strategies. The Group's growth plans will be continuously adjusted, based on the financial returns, marketing benefits and strategic advantages. Prospectively, the Mainland China market will remain the key growth driver in the future.

## **Products and Design**

The Group has continued to advance its product designs and innovations. Through continuous enhancement in product quality, the Group is committed to offer product series which are able to meet with our customers' preferences.

During the Year, the Group has enlarged its product portfolio to capture different market segments. Newly launched products include:

- Classic Gold Collection
- “Golden Allure GA” Collection
- “Shimmer Beat” Collection
- “Love Glitter” Collection
- “Love Rhythm” Collection
- “Cool Love” Collection
- “Silver Shine” Collection
- “Love Lane” Collection
- Pure Gold Chinese Zodiac Collection
- “ULove” Wedding Collection
- “Peter Rabbit™” Collection
- “Starry Shimmer” Collection

## **Marketing and Promotion**

The Group strongly believes in the value of a quality brand. The Group continues to promote the “3DG Jewellery” brand through a comprehensive marketing programme. Some of Group’s marketing programme include:

- Organized a “New Product Launch (3rd quarter 2022)”
- Organized a “Brand Licensee Business Webinar (3rd quarter 2022)”
- Organized a “Brand Licensee Business Webinar (4th quarter 2022)”
- Organized a “New Product Launch (4th quarter 2022)”
- Organized a “Brand Licensee Business Webinar (1st quarter 2023)”
- Organized a “Brand Licensee Business Webinar (2nd quarter 2023)”
- Organized a “Jewellery Collection Roadshow” at Hisense Plaza in Tianjin of PRC

## **Awards and Achievements**

The Group has also achieved industry awards as recognition for brand excellence and for its efforts in promoting service excellence in the jewellery retail sector.

- Capital Weekly – Services Awards 2022 – Jewellery”
- “BOCHK Corporate Environmental Leadership Awards Programme 2021 – Eco Partner”
- “Marie Claire – Best Label Award 2021/2022 (Best Jewelry)”
- “Q-Mark Service Elite 2021” by Hong Kong Q-Mark Council
- “HKRMA Certificate of Outlet Anti-Epidemic Measures Recognition”

- “CAPITAL – ESG Awards 2022”
- “Hong Kong Retail Management Association – 2022 Quality Service Retailer of the Year of Flagship Stores – Gold Award”
- “Hong Kong Retail Management Association – 2022 Quality Service Retailer of the Year (Watch & Jewellery Category Award)”
- “TVB Weekly Brand Award 2022” by TVB Weekly
- “2022 Outstanding QTS Merchant – Gold Award (Jewellery & Watches)” by Hong Kong Tourism Board
- “Promoting Happiness Index Foundation Hong Kong – Happy Company”
- “OL Favourite Brands Award 2023” by JESSICA
- “Elite Jewellery Brand Awards 2022” by Ming Pao Weekly

### **New Media Marketing Service Business**

The revenue from the new media marketing service business was approximately HK\$184 million for FY2023, which is the same as the revenue of approximately HK\$184 million for FY2022. New media marketing service accounted for 23% (2022: 20%) of total turnover. The revenue from the new media marketing service business does not grow as expectation for FY2023.

### **OUTLOOK**

The COVID-19 pandemic has proved to be a catalyst to accelerate the shift to e-commerce sales. Building on the change in consumption pattern, the Group has co-operated with various renowned e-commerce platforms in Mainland China and Hong Kong and its e-commerce sales has a continuous and remarkable growth in turnover during the Year. The Group will continue to strengthen the collaboration with online marketplaces in order to capture the strong momentum of e-commerce sales. In addition, shifting towards from traditional business models to new media on the Internet has become a trend.

Going forward, the Group will continue to swiftly respond to the turbulent retail market by adopting various measure to save costs and minimise expenditures in order to enhance cost effectiveness and business efficiency.

## FINAL DIVIDENDS

The Board has resolved not to declare any final dividend in respect of the year ended 30 June 2023 to the holders of ordinary shares of the Company.

## FUNDS RAISING AND USE OF PROCEEDS

The Company has received net proceeds of approximately HK\$83.5 million in connection with the subscription of subscription shares and convertible bonds (“**First Subscription**”) and HK\$57.5 million in connection with the subscription of subscription shares and convertible bonds (“**Second Subscription**”). The net proceeds of the First Subscription together with the Second Subscription was approximately HK\$141 million. As disclosed in the Company’s announcements dated 31 May 2021, 12 November 2021 and 6 December 2021 respectively and circular dated 30 June 2021, the net proceeds will be applied as to approximately HK\$126 million for repayment of indebtedness and HK\$15 million for general working capital. As of 30 June 2023, all the net proceeds had been utilised. Details of the use of proceeds are as follows:

	Unutilised amount of Net Proceeds as of 1 July 2022 <i>(HK\$ million)</i>	Revised allocation of amount <i>(HK\$ million)</i>	Actual utilised amount during the year ended 30 June 2023 <i>(HK\$ million)</i>	Unutilised amount as of 30 June 2023 <i>(HK\$ million)</i>
<b>Repayment of indebtedness</b>				
Repayment of deposits received	3.50	(3.50)	–	–
	3.50	(3.50)	–	–
<b>General working capital</b>	–	3.50	(3.50)	–
	3.50	–	(3.50)	–
	<u>3.50</u>	<u>–</u>	<u>(3.50)</u>	<u>–</u>

## INVESTOR RELATIONS

The Group highly values its relationships with investors. Committed to maintaining close ties to professionals from the asset management community, the Group has heightened the transparency of its operations, and has through open and effective communication, enabled investors and the investment community to better understand its management philosophy and long-term development plans.

The Group welcomes and treasures investors’ comments as they can provide a means to strengthen its value to shareholders. The Group resolves to continue its efforts to create value for investors.

## **OTHERS**

### **Liquidity and Financial Resources**

The Group centralises funding for all its operations through the corporate treasury based in Hong Kong. As at 30 June 2023, the Group had total cash and cash equivalents amounting to HK\$936 million (2022: HK\$882 million). The Group's net borrowing as at 30 June 2023 was HK\$967 million (2022: HK\$863 million), being total borrowing of HK\$1,903 million (2022: HK\$1,745 million) less pledged bank deposits and bank balances and cash of HK\$936 million (2022: HK\$882 million). After taking into account the gold inventories of HK\$287 million (2022: HK\$285 million), the Group's net borrowing as at 30 June 2023 was HK\$680 million (2022: HK\$578 million), being total borrowing less pledged bank deposits, bank balances and cash and gold inventories. As at 30 June 2023, the Group has available unutilised revolving banking facilities of HK\$42 million (2022: HK\$587 million).

The current ratio of the Group as at 30 June 2023 was 78% (2022: 90%), calculated on the basis of current assets of HK\$1,556 million (2022: HK\$1,564 million) over current liabilities of HK\$2,007 million (2022: HK\$1,737 million). The gearing ratio was 121% (2022: 110%), calculated on the basis of the total liabilities of HK\$2,151 million (2022: HK\$1,965 million) over total assets of HK\$1,780 million (2022: HK\$1,786 million).

### **Capital Commitments**

Capital commitments of the Group as at 30 June 2023 are set out in note 11.

### **Pledged Assets**

Pledged assets of the Group as at 30 June 2023 are set out in note 12.

### **Contingent Liabilities and Guarantee**

As at 30 June 2023, the Company had corporate financial guarantee amounting to HK\$1,075,000,000 (2022: HK\$1,075,000,000) to banks in respect of 50% of the aggregated amount of banking facilities granted to its subsidiary. As at 30 June 2023, the banking facilities utilised by the subsidiary was HK\$1,704,500,000 (2022: HK\$1,563,500,000). As at 30 June 2023, a loss allowance of HK\$19,218,000 (2022: HK\$18,320,000) estimated under the expected credit loss model in respect of such corporate financial guarantee in the Company's statement of financial position was recognised whereas no financial impact on the consolidated financial statements. As at 30 June 2023 and 2022, save as disclosed above, the Group and the Company did not have any material contingent liabilities.

### **Significant Investments, Material Acquisitions and Disposals**

The Group did not have any significant investments, material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during the year ended 30 June 2023.

## Events after the reporting period

The Group had the following events after the end of the reporting period:

- (a) On 28 July 2023, the Company, as borrower, entered into a loan agreement (the “**Loan Agreement**”) with Luk Fook Finance Company Limited (the “**LF Lender**”), being a fellow subsidiary of a non-controlling shareholder of CGS, as lender, pursuant to which the loan in the principal amount of HK\$10,000,000 at an interest rate of 15% per annum was made available by the lender to the Company. The repayment date shall be the date falling four months from the date of drawdown. On 28 July 2023, the Company drew down HK\$10,000,000 to repay the MF Loan. Details of the above arrangement are disclosed in the Company’s announcement dated 28 July 2023.

As security for the repayment obligation of the Company under the Loan Agreement, a debenture (the “**Debenture**”) was executed by the Company in favour of the LF Lender on 28 July 2023. Pursuant to the Debenture, the Company agreed to charge as a first fixed and floating charge over all the undertaking, property and assets of the Company in favour of the LF Lender as security for the repayment and discharge of the secured obligations, i.e. all obligations and liabilities on the part of the Company under the Loan Agreement together with the interest accrued thereon thereunder.

- (b) The Board has been informed by Mr. Li Ning (“**Mr. Li**”), a shareholder, the chairman of the Board, an executive Director and Mr. Wang Chaoguang (“**Mr. Wang**”) the co-chairman of the Board and an executive Director that they and their respective controlled companies and Mr. Duan Guangzhi (“**Mr. Duan**”) and his controlled company entered the following transactions:
- (i) Luk Fook 3D Investment Holding Company Limited (“**Luk Fook 3D**”), a wholly-owned subsidiary of Luk Fook, Mr. Li and Eminent Rise Holdings Limited (“**Eminent Rise**”), a controlled corporation of Mr. Li, entered into a conditional sale and purchase agreement dated 28 July 2023 (“**Eminent Rise Sale and Purchase Agreement**”) in relation to the conditional sale of 21,000,000 shares (“**Shares**”) in the Company owned by Eminent Rise and Mr. Li to Luk Fook 3D for a total consideration of HK\$14,809,900;
- (ii) Luk Fook 3D, Mr. Wang and Grace Fountain Holdings Limited (“**Grace Fountain**”), a controlled corporation of Mr. Wang entered into a conditional sale and purchase agreement dated 28 July 2023 (“**Grace Fountain Sale and Purchase Agreement**”) in relation to the conditional sale of 65,000,000 Shares and convertible bonds of the Company due on 12 November 2023 with principal amount of HK\$52,000,000 owned by Grace Fountain to Luk Fook 3D for a total consideration of HK\$56,000,000; and
- (iii) Luk Fook 3D, Mr. Wang and Excel Horizon Investments Limited (“**Excel Horizon**”), a controlled corporation of Mr. Duan entered into a conditional sale and purchase agreement dated 28 July 2023 (“**Excel Horizon Sale and Purchase Agreement**”) in relation to the conditional sale of the 50,000,000 Shares and convertible bonds of the Company due on 6 December 2023 with principal amount of HK\$32,500,000 owned by Excel Horizon to Luk Fook 3D for a total consideration of HK\$35,000,000.



(c) On 28 July 2023, the Company and Mr. Li entered into an agreement (the “**Disposal Agreement**”), pursuant to which the Company conditionally agreed to sell, and Mr. Li conditionally agreed to purchase, the entire issued share capital of Brand New Management Limited, for a total consideration of HK\$9,000,000 (subject to adjustment). Brand New Management Limited is a direct wholly-owned subsidiary of the Company.

Details of the above transaction (b) and (c) are set out in the joint announcement made by Luk Fook and the Company on 28 July 2023. Up to the date of this announcement, the transaction (b) and (c) are yet to completed.

Subject to the fulfilment or waiver (where applicable) of all the conditions, completion of all the Eminent Rise Sale and Purchase Agreement, the Grace Fountain Sale and Purchase Agreement and the Excel Horizon Sale and Purchase Agreement shall take place simultaneously and also simultaneously with completion of the Disposal Agreement.

### **Financial Risk and Exposure**

The Group did not have any outstanding material foreign exchange contracts, interest or currency swaps, or other financial derivatives as at 30 June 2023.

### **Employees and Remuneration Policy**

As at 30 June 2023, the Group had 874 employees (2022: 947). The Group’s remuneration policy is periodically reviewed by the Remuneration Committee and the Board. Remuneration is determined by reference to market conditions, company performance, and individual qualifications and performance.

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

During the Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

### **COMPLIANCE WITH THE CODE PROVISIONS ON CORPORATE GOVERNANCE CODE**

The Company complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited throughout the Year, except for the following deviations:

CG Code A.2.1 (which has been renumbered as C.2.1 since 1 January 2022) stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 12 June 2019, Mr. Li Ning is appointed as an executive director of the Company and chairman of the Board to provide strong leadership and ensure the execution of the Group’s strategies and policies. On 4 October 2019, Mr. Li Ning has been assuming the role of chief executive officer. The Board is of the view that currently vesting the roles of chairman and chief executive in Mr. Li Ning provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long term business strategies.



CG Code A.4.1 (which has been deleted since 1 January 2022) stipulates that the non-executive directors should be appointed for a specific term, subject to re-election. The Company has not fixed the term of appointment for the non-executive director, Mr. Hu Hongwei and the independent non-executive directors, Dr. Loke Yu alias Loke Hoi Lam and Dr. Fan, Anthony Ren Da. However, all the non-executive director and independent non-executive directors are subject to retirement by rotation at least every three years and re-election at the annual general meeting of the Company pursuant to the Company's bye-laws. As such, the Board considers that sufficient measures have been taken to ensure the Company's corporate governance practices are no less exacting than those in the CG Code.

The current corporate governance practices of the Company will be reviewed and updated in a timely manner in order to comply with the Listing Rules.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules. All directors of the Company have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the Year.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters. The Group's consolidated financial statements for the year ended 30 June 2023 have been reviewed by the Audit Committee and audited by the Company's independent auditor Crowe (HK) CPA Limited. As at the date of this announcement, the Audit Committee comprises three independent non-executive directors, namely, Dr. Loke Yu alias Loke Hoi Lam, Dr. Fan, Anthony Ren Da and Mr. Chan Kim Sun.

## **PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT**

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.hkrh.hk](http://www.hkrh.hk)). The annual report 2023 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By order of the Board of  
**Hong Kong Resources Holdings Company Limited**  
**Mr. Li Ning**  
*Chairman*

Hong Kong, 29 September 2023

*As at the date of this announcement, the Board comprises Mr. Li Ning (Chairman) and Mr. Wang Chaoguang (Co-chairman) as executive directors; Mr. Hu Hongwei as non-executive director; and Dr. Loke Yu alias Loke Hoi Lam, Dr. Fan, Anthony Ren Da and Mr. Chan Kim Sun as independent non-executive directors.*