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## **HARBOUR EQUINE HOLDINGS LIMITED**

**維港育馬控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8377)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

#### **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 announcement, for which the directors (the “**Directors**”) of Harbour Equine Holdings 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 announcement 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 announcement misleading.*

## ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, which are presented in Hong Kong dollars (“**HK\$**”).

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		<b>68,581</b>	69,059
Direct cost		<b>(69,305)</b>	(72,359)
Gross loss		<b>(724)</b>	(3,300)
Other income, gains and losses, net	5	<b>(13,606)</b>	(8,984)
Selling and distribution expenses		<b>(2,006)</b>	(3,317)
Administrative expenses		<b>(13,948)</b>	(21,495)
Reversal of impairment loss (impairment losses) under expected credit loss model, net		<b>153</b>	(3,662)
Impairment losses of property, plant and equipment		<b>—</b>	(799)
Impairment losses on intangible asset		<b>(3,788)</b>	—
Finance costs		<b>(3,540)</b>	(5,010)
Loss before tax		<b>(37,459)</b>	(46,567)
Income tax credit (expense)	6	<b>448</b>	(258)
Loss for the year	7	<b>(37,011)</b>	(46,825)
<b>Other comprehensive income (expense)</b> <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>2,424</b>	(1,715)
Other comprehensive income (expense) for the year, net of income tax		<b>2,424</b>	(1,715)
<b>Total comprehensive expenses for the year</b>		<b>(34,587)</b>	(48,540)
<b>Attributable to owners of the Company</b>		<b>(34,587)</b>	(48,540)
<b>Loss per share</b>			
Basic and diluted (HK cents)	9	<b>(9.05)</b>	(11.44)

## Consolidated Statement of Financial Position

At 31 December 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>648</b>	4,544
Investment properties		—	4,300
Right-of-use assets		<b>260</b>	1,385
Goodwill		<b>6,683</b>	6,683
Intangible assets		—	3,788
Biological assets		—	5,864
Financial asset at fair value through profit or loss (“FVTPL”)		—	5,226
		<b>7,591</b>	31,790
<b>CURRENT ASSETS</b>			
Inventories		<b>2,150</b>	5,780
Biological assets		<b>482</b>	9,550
Trade receivables	<i>10</i>	<b>10,985</b>	7,595
Contract assets		<b>7,249</b>	7,755
Deposit and other receivables	<i>10</i>	<b>2,136</b>	12,175
Cash and cash equivalents		<b>3,784</b>	4,123
Tax recoverable		<b>293</b>	561
		<b>27,079</b>	47,539
Assets classified as held for sales	<i>13</i>	<b>6,478</b>	—
		<b>33,557</b>	47,539
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>11</i>	<b>6,721</b>	12,857
Other payables and accruals	<i>11</i>	<b>9,632</b>	9,399
Borrowings	<i>12</i>	—	33,445
Lease liabilities		<b>393</b>	1,046
Tax payables		<b>272</b>	1,323
		<b>17,018</b>	58,070
Liabilities classified as held for sale	<i>13</i>	<b>16,307</b>	—
		<b>33,325</b>	58,070
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<b>232</b>	(10,531)

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,823</u>	<u>21,259</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	<i>12</i>	<b>22,610</b>	—
Lease liabilities		<b>265</b>	896
Deferred tax liabilities		<b>1</b>	677
Retirement benefit obligations		<b>146</b>	298
		<u>23,022</u>	<u>1,871</u>
<b>NET (LIABILITIES) ASSETS</b>		<u><b>(15,199)</b></u>	<u>19,388</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>20,457</b>	20,457
Reserves		<b>(35,656)</b>	(1,069)
<b>TOTAL (DEFICIT) EQUITY</b>		<u><b>(15,199)</b></u>	<u>19,388</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

### 1. GENERAL INFORMATION

Harbour Equine Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands on 18 August 2016. The registered office address of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. During the year, the Company’s subsidiaries were principally engaged in the manufacture and selling of high performance sewing threads and broad categories of garment accessories, provision of interior design, interior decorating and furnishing services, trading of bloodstocks, stallion services and equine handling services and provision of advisory on securities, corporate financial advisory services and asset management services.

The functional currency of the Company is Hong Kong Dollars (“**HK\$**”), which is also the presentation currency of Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### **Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

## ***2.1 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)***

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

## **New and amendments to HKFRS Accounting Standards in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
HKFRS 19	Subsidiaries without Public Accountability Disclosures <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRS Accounting Standards mentioned in the consolidated financial statements, the directors of the Company (the “**Directors**”) anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“**the GEM Listing Rules**”) and by the Hong Kong Companies Ordinance (“**CO**”).

As stated in the consolidated financial statements, the Group incurred loss attributable to the owners of the Company of approximately HK\$37,011,000 for the year ended 31 December 2024 and as at of that date, the Group has net liabilities of approximately HK\$15,199,000. Even though the Group's current assets marginally exceeded its current liabilities by approximately HK\$232,000, but the Group incurred loss consecutively for several years and its cash and cash equivalents amounted to approximately HK\$3,784,000 only. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

1. Ongoing Support from director: One of the Directors, Leung King Yue, Alex agreed to provide a financial support of HK\$10,000,000 at any time to meet in full the Group's financial obligation on or before 31 December 2025.
2. Restructuring: The Group has undertaken a comprehensive review of its operational structure, to aim at improving cash flow and profitability. These measures include downsizing or disposing non-profitable business units, renegotiating supplier contracts to reduce procurement costs, and optimizing overhead expenditures.
3. Revenue-Generating Opportunities: In addition to cost-cutting measures, the Group will find revenue-generating initiatives.
4. Refinancing and Availability of Liquidity Facilities: The Directors have undergone ongoing negotiations with financial institutions to extend or restructure existing credit facilities. This would provide the Group with additional liquidity to meet short-term obligations and continue its operations without significant disruption. The Directors are confident in their ability to secure such extensions or refinancings, particularly given the Group's established relationships with its lenders.

5. **Cash Flow Projections and Short-Term Liquidity:** The Group has developed detailed cash flow projections for the 18-month period up to 30 June 2026, considering various scenarios, including conservative revenue estimates and potential delays in receivables. The Directors have reviewed these projections and believe that the Group will be able to generate sufficient cash flow to meet its operational needs and financial obligations in the short term. This includes meeting its working capital requirements and servicing any outstanding debts.
6. **Management's Experience and Expertise:** The Directors are confident in the management team's ability to navigate through the current financial challenges. The management team has demonstrated a proven track record of successfully implementing strategic initiatives, managing financial constraints, and adapting to changing market conditions. The Directors believe that with the current leadership, the Group will be able to execute its recovery plan effectively.

Through continuing the abovementioned business strategies, the Directors believe that the Group would be able to meet its financial obligations and fulfill its operational needs while obtaining additional financing resources in pursuing other businesses.

The Directors are of the opinion that the Group will be able to have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for a period of not less than the next twelve months from 31 December 2024. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2024 on a going concern basis. The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to reduce the carrying amounts of the assets of the Group to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

## 4. OPERATING SEGMENTS

Information reported to the board of directors of the Company (the “**Board**”), being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group now has four (2023: four) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The Group has four reportable segments under HKFRS 8 *Operating Segments* as follows:

### **Manufacture and selling of sewing threads**

- manufacture and selling of high performance sewing threads and broad categories of garment accessories

### **Interior design and decoration**

- provision of interior design, interior decorating, furnishing services and sales of furnishings

### **Equine services**

- provision of trading of bloodstocks, stallion services and equine handling services

### **Advising on securities, corporate finance and asset management**

- provision of advisory on securities, corporate financial advisory services and asset management services

(a) **Segment revenues and results**

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

*For the year ended 31 December 2024*

	Manufacture and selling of sewing threads <i>HK\$'000</i>	Interior design and decoration <i>HK\$'000</i>	Equine services <i>HK\$'000</i>	Advising on securities, corporate finance and asset management <i>HK\$'000</i>	Adjustment and eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	8,035	52,517	6,519	1,510	—	68,581
Inter-segment sales	<u>—</u>	<u>—</u>	<u>—</u>	<u>240</u>	<u>(240)</u>	<u>—</u>
Reportable segment profit (loss)	<u>(19,549)</u>	<u>2,551</u>	<u>(10,545)</u>	<u>(2,254)</u>	<u>—</u>	<u>(29,797)</u>
Corporated and unallocated expense						<u>(7,662)</u>
Group's loss before tax						<u><u>(37,459)</u></u>

*For the year ended 31 December 2023*

	Manufacture and selling of sewing threads <i>HK\$'000</i>	Interior design and decoration <i>HK\$'000</i>	Equine services <i>HK\$'000</i>	Advising on securities, corporate finance and asset management <i>HK\$'000</i>	Adjustment and eliminations <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	21,196	16,450	31,413	—	—	69,059
Inter-segment sales	<u>—</u>	<u>—</u>	<u>—</u>	<u>240</u>	<u>(240)</u>	<u>—</u>
Reportable segment profit (loss)	<u>(13,442)</u>	<u>1,104</u>	<u>(27,135)</u>	<u>72</u>	<u>—</u>	<u>(39,401)</u>
Corporated and unallocated expense						<u>(7,166)</u>
Group's loss before tax						<u><u>(46,567)</u></u>

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Rental income, net	84	691
Fair value gains on financial assets at FVTPL, net	124	45
Fair value losses on investment properties	—	(200)
Financial guarantee fee from a related company	44	54
Exchange loss, net	(2,483)	(390)
Fair value gain (loss) on biological assets, net	309	(9,505)
Interest income	7	152
Insurance compensation	592	465
Government grants ( <i>Note</i> )	—	69
Gain (loss) on disposal of property, plant and equipment	229	(4)
Loss on written-off of property, plant and equipment	(16)	(175)
Loss on disposal of biological assets	(3,413)	(680)
Gain on termination of lease contract	19	—
Written-off of trade receivables	(376)	—
Written-off of other receivables	(8,947)	—
Others	221	494
	<u>(13,606)</u>	<u>(8,984)</u>

*Note:*

During the year ended 31 December 2023, the amount represented the subsidy received from government authorities in the PRC for encourage employment.

There were no unfulfilled conditions and other contingency attached to the receipt of subsidy.

## 6. INCOME TAX (CREDIT) EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax	73	200
Under-provision in prior years	155	—
Deferred tax	<u>(676)</u>	<u>58</u>
Total income tax (credit) expense	<u><u>(448)</u></u>	<u><u>258</u></u>

## 7. LOSS FOR THE YEAR

Loss for the year is arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration		
— Audit services	713	1,022
— Non audit-services	90	—
Cost of inventories sold		
— Manufacture of sewing threads	10,001	19,019
— Interior decorating and furnishing services	3,667	3,888
Cost of bloodstocks sold	8,187	30,979
Written-down of inventories	1,721	1,380
Depreciation of property, plant and equipment	530	1,176
Depreciation of right-of-use assets	725	1,348
Lease payments not included in the measurement of lease liabilities	<u><u>1,243</u></u>	<u><u>1,650</u></u>

## 8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

## 9. LOSS PER SHARE

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Losses</b>		
Loss attributable to owners of the Company	<u><b>(37,011)</b></u>	<u>(46,825)</u>
<b>Shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u><b>409,141,860</b></u>	<u>409,141,860</u>
Basic and diluted loss per share <i>(HK cents) (Note)</i>	<u><b>(9.05)</b></u>	<u>(11.44)</u>

*Note:*

The computation of diluted loss per share for the years ended 31 December 2024 and 2023 does not assume the conversion of the Company's outstanding options since their assumed exercise would result in a decrease in loss per share from operations.

## 10. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Trade receivables:</b>			
Contract with customers		<b>11,164</b>	8,019
Less: Allowance for credit losses		<u>(179)</u>	<u>(424)</u>
	<i>(a)</i>	<b><u>10,985</u></b>	<b><u>7,595</u></b>
<b>Other receivables:</b>			
Other prepayments		<b>662</b>	1,678
Loan to a vendor	<i>(b)</i>	—	1,400
Deposits and other receivables		<b>786</b>	19,291
Amount due from a director		<u>736</u>	<u>—</u>
		<b>2,184</b>	22,369
Less: Allowance for credit losses		<u>(48)</u>	<u>(10,194)</u>
		<b><u>2,136</u></b>	<b><u>12,175</u></b>

*Notes:*

- a) The followings is an aged analysis of trade receivables net of allowance for credit losses presented bases on the invoice dates.

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	<b>5,977</b>	1,632
1 to 2 months	<b>621</b>	1,075
2 to 3 months	<b>422</b>	1,720
Over 3 months	<u>3,965</u>	<u>3,168</u>
	<b><u>10,985</u></b>	<b><u>7,595</u></b>

- b) As at 31 December 2023, loans to a vendor bear interest at rates 5.00% per annum, secured by certain machineries of the vendor and repayable in one year with demand clause.

On 1 July 2024, the vendor was seized by the court, the Directors are of opinion that there is no realistic prospect to recover the loan to the vendor and considered to write-off the loan to the vendor.

## 11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Trade payables</b>		
— from third parties ( <i>Note a</i> )	<u>6,721</u>	<u>12,857</u>
<b>Other payables and accruals</b>		
Contract liabilities	381	4,171
Other payables and accruals	7,948	5,228
Amounts due to directors ( <i>Note b</i> )	<u>1,303</u>	<u>—</u>
<b>Total other payables and accruals</b>	<u>9,632</u>	<u>9,399</u>

*Notes:*

- a) An ageing analysis of the trade payables as at the end of each reporting period, based on the transaction date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	5,056	3,853
1 to 2 months	545	1,022
2 to 3 months	55	2,143
Over 3 months	<u>1,065</u>	<u>5,839</u>
	<u>6,721</u>	<u>12,857</u>

The credit period in purchase of goods is generally from one to three months.

- b) The amounts are unsecured, interest-free and repayable on demand.

## 12. BORROWINGS

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank loans — unsecured	—	1,973
Loan from shareholders — unsecured	<b>8,110</b>	5,280
Loan from a related company — unsecured	—	5,046
Other borrowings — secured	<b>14,500</b>	21,146
	<u><b>22,610</b></u>	<u>33,445</u>

	<b>Bank loans</b>		<b>Loan from shareholders and a related company and other borrowings</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
The carrying amounts of the above borrowings are repayable				
— Within one year	—	1,973	—	31,472
— Within a period of more than one year but not exceeding two years	—	—	<b>22,610</b>	—
	<u>—</u>	<u>—</u>	<u><b>22,610</b></u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u><b>22,610</b></u>	<u>—</u>
The carrying amounts of above borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:				
— Within one year	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Less: Amounts due within one year shown under current liabilities	—	(1,973)	—	(31,472)
Amounts shown under non-current liabilities	<u>—</u>	<u>—</u>	<u><b>22,610</b></u>	<u>—</u>

### 13. DISPOSAL GROUP HELD FOR SALE

On 2 October 2024, the Company and Trillion Mind Limited (“**Trillion Mind**”), an independent third party, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and Trillion Mind has conditionally agreed to purchase, the sale share, representing the entire issued share capital in the Strat Tech Holdings Limited (“**Strat Tech**”) for a total consideration of HK\$1,000,000 (the “**Disposal**”).

Accordingly, the assets and liabilities of Strat Tech and its subsidiaries (“**Strat Tech Group**”), which are expected to be sold within twelve months, have been classified as a disposal group held for sale as at 31 December 2024 and are presented separately in the consolidated statement of financial position. The net proceeds of Disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

Strat Tech Group is principally engaged in the manufacture and sale of sewing threads and board categories of garment accessories. Strat Tech Group is included in the Group’s manufacture and selling of sewing threads activities for segment reporting purposes.

The Disposal is completed on 27 January 2025.

The major classes of assets and liabilities of the Strat Tech Group classified as held for sale are as follows:

	<i>HK\$’000</i>
Plant and equipment	164
Financial asset at fair value through profit or loss	5,318
Right-of-use assets	172
Trade and other receivables	452
Bank balances and cash	372
	<hr/>
Total assets classified as held for sale	<u>6,478</u>
Trade and other payables	13,066
Lease liabilities	186
Tax payables	900
Retirement benefit obligations	162
Bank borrowing	1,993
	<hr/>
Total liabilities classified as held for sale	<u>16,307</u>

Cumulative amount of HK\$10,977,000 relating to the disposal group classified as held for sale has been recognised in other comprehensive income and included in equity.

## **14. COMPARATIVE FIGURES**

During the year ended 31 December 2024, for enhancing the relevance of the presentation of the consolidated financial statements, reclassification have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation.

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

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024.

### **OPINION**

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

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to Note 3.1 to the consolidated financial statements, which indicates that the Group incurred loss attributable to the owners of the Company of approximately HK\$37,011,000 for the year ended 31 December 2024 and as of that date, the Group has net liabilities of approximately of HK\$15,199,000. Even though the Group’s current assets marginally exceeded its current liabilities by approximately HK\$232,000, the Group incurred loss consecutively for several years and its cash and cash equivalents amounted to approximately HK\$3,784,000 only. These conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid “Note 3.1 to the consolidated financial statements” in the extract of the independent auditor’s report is disclosed in Note 3 to this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

For the year ended 31 December 2024, the Group's revenue decreases to approximately HK\$68.6 million, representing a decrease of approximately 0.7%, as compared to revenue of approximately HK\$69.1 million for the year ended 31 December 2023. The Group's net loss decreases to approximately HK\$37.0 million for the year ended 31 December 2024 from approximately HK\$46.8 million for the year ended 31 December 2023. Such decrease is primarily due to the decrease in loss from the segment of equine services.

The Group is principally engaged in the manufacturing and selling of sewing threads and board categories of garment accessories, provision of interior design, interior decoration and furnishing services, and provision of trading of bloodstock, stallion services and equine handling services, provision of securities, advising on corporate finance and assets management.

The Group currently manufactures polyester sewing threads, which are mainly used for garments. The major product of the Group is 100% spun polyester sewing threads. Other types of sewing threads are also offered, including textured polyester series, elastic filament sewing threads and weft yarn. The Group's customers are located in the People's Republic of China (the "PRC"), Hong Kong as well as overseas countries, including but not limited to the Middle East and Mauritius. While the Group's customers in the PRC and Hong Kong are mainly garment manufacturers, its overseas customers are mainly wholesalers. The production facilities of the Group, where the sewing threads manufacturing process is conducted, are located in Liwan, Guangzhou (the "**Guangzhou Production Facilities**"). The major operating subsidiaries of this segment had been disposed on 27 January 2025.

For the business line of interior design, fitting out and decoration services, the Group considers that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style.

For the segment of equine business, we took the opportunities to dispose the most non-performing and out of flavour stock in order to reduce our future upkeeping and maintenance costs. A certain level of loss has been recorded as a result.

The management team looked to consolidate our portfolio as we seek to identify and eliminate underperforming stock which in turn positively impacts our daily operational costs. The entire portfolio is reviewed weekly and assets are selected to be retained or disposed.

## Financial Review

### Revenue

The revenue was generated from the segment of manufacturing and trading of threads product, interior design and decoration, equine services and financial services. The following table sets out a breakdown of the Group's revenue attributable to four segments of the Group of the year ended 31 December 2024 and 2023:

	Year ended 31 December				Rate of
	2024	2023			change
	<i>% of total</i>	<i>% of total</i>			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>revenue</i>	<i>revenue</i>	<i>%</i>
Manufacturing and trading of threads	<b>8,035</b>	<b>11.7</b>	21,196	30.7	(62.1)
Interior design and decoration	<b>52,517</b>	<b>76.6</b>	16,450	23.8	219.3
Equine services	<b>6,519</b>	<b>9.5</b>	31,413	45.5	(79.3)
Finance and asset management	<b>1,510</b>	<b>2.2</b>	—	—	N/A
	<b><u>68,581</u></b>	<b><u>100</u></b>	<b><u>69,059</u></b>	<b><u>100.0</u></b>	<b><u>(0.7)</u></b>

### *Manufacturing and trading of threads*

The revenue attributable to the manufacturing and trading of threads decreased to approximately HK\$8 million for the year ended 31 December 2024 from approximately HK\$21.2 million for the year ended 31 December 2023, representing a decrease of approximately 62.1%. The decrease in revenue was mainly attributable to the decrease in sales from both the overseas market and local PRC market. The keen competition of thread industry made the profit margin of PRC local market deteriorated.

### *Interior design and decoration*

The revenue attributable to the interior design and decoration increased to approximately HK\$52.5 million for the year ended 31 December 2024 from approximately HK\$16.5 million for the year ended 31 December 2023, representing an increase of approximately 219.3%. The revenue increase is mainly due to a new project by a customer during the year. The Group will release more resources to expand this segment in 2025.

### *Equine Services*

The revenue attributable to equine services decreased to approximately HK\$6.5 million for the year ended 31 December 2024 from approximately HK\$31.4 million for the year ended 31 December 2023, representing a decrease of approximately 79.3%. The revenue decrease is mainly because management noticed price weakness in selected segments of the thoroughbreds market. As a result, decision has been made to dispose of most bloodstock to keep future operating expenses at a manageable level.

### *Financial Services*

The revenue attributable to the financial services was approximately HK\$1.5 million for the year ended 31 December 2024.

### *Cost of sales*

The Group's cost of sales primarily consists of direct material costs, processing fees, direct labour costs, welfare and social insurance, agistment costs, bloodstock insurance and direct cost of bloodstock. The following table sets out a breakdown of the Group's cost of sales attributable to three segments of the Group for the year ended 31 December 2024 and 2023:

	Year ended 31 December		Rate of change %
	2024 HK\$'000	2023 HK\$'000	
Manufacturing and trading of threads	11,725	19,019	(38.4)
Interior design and decoration	46,336	12,237	278.7
Equine services	11,244	41,103	(72.6)
Finance and asset management	—	—	N/A
	<u>69,305</u>	<u>72,359</u>	<u>(4.2)</u>

### *Manufacturing and trading of threads*

The cost of sales attributable to the manufacturing and trading of threads decrease to approximately HK\$11.7 million for the year ended 31 December 2024 from approximately HK\$19.0 million for the year ended 31 December 2023, representing a decrease of 38.4%. The decrease in cost of sales for manufacturing and trading of threads was in line with the decrease in sale for the year.

### ***Interior design and decoration***

The cost of sales attributable to the interior design and decoration increase to approximately HK\$46.3 million for the year ended 31 December 2024 from approximately HK\$12.2 million for the year ended 31 December 2023 representing an increase of 278.7%. The increase in cost of sales for interior design and decoration is mainly due to increase in sales for the year.

### ***Equine services***

The cost of sales attributable to the equine services decrease to approximately HK\$11.2 million for the year ended 31 December 2024 from approximately HK\$41.1 million for the year ended 31 December 2023, representing a decrease of 72.6%. The decrease of cost of sales for equine services is mainly due to the significant decrease in number of bloodstocks and stallions and therefore, the agistment cost generated from the bloodstocks and the direct cost of bloodstocks and stallions generated decreased compared with the preceding year.

### ***Gross loss and gross (loss) profit margin***

The Group recorded a gross loss of HK\$0.7 million for the year ended 31 December 2024 as compared with the a gross loss of HK\$3.3 million for the year ended 31 December 2023, representing a decrease of HK\$2.6 million of gross loss compared with the last year. The gross loss margin decreased to 1% for the year end 31 December 2024 and 4.8% for the year ended 31 December 2023. The gross loss margin of threads segment increased to 45.9% for the year ended 31 December 2024 from gross profit margin 10.3% for the year ended 31 December 2023, the gross profit margin for the decoration segment is decreased to 11.8% for the year ended 31 December 2024 from 25.6% for the year ended 31 December 2023 and the gross loss margin of the equine services increased to 72.5% for the year ended 31 December 2024 from gross loss margin 30.8% for the year ended 31 December 2023.

### ***Other income, gains and losses, net***

The Group recorded other income, gains and losses, net of approximately HK\$13.6 million for the year ended 31 December 2024 as compared with other losses and expenses, net of approximately HK\$9.0 million for the year ended 31 December 2023. Such change was mainly due to the significant decrease of fair value loss on biological assets, increase of exchange loss, increase of loss on disposal of biological assets and written off of trade and other receivables compared with last year.

### ***Selling and distribution expenses***

Selling and distribution expenses mainly consist of staff costs and transportation expenses for segment of manufacturing and trading of threads. Selling expenses decreased to approximately HK\$2.0 million for the year ended 31 December 2024 from approximately HK\$3.3 million for the year ended 31 December 2023, representing a decrease of approximately 39.4%. Such decrease was mainly due to the decrease in staff cost and transportation expenses.

### ***Administrative expenses***

Administrative expenses primarily consist of staff costs, Directors' remuneration and legal and professional fees. Administrative expenses decreased to approximately HK\$13.9 million for the year ended 31 December 2024 from approximately HK\$21.5 million for the year ended 31 December 2023, representing a decrease of approximately 35.3%. Such decrease was mainly attributable to the decrease in staff costs, Directors' remuneration, legal professional fees and rental expense.

### ***Finance costs***

The Group's finance costs decreased to approximately HK\$3.5 million for the year ended 31 December 2024 from approximately HK\$5.0 million for the year ended 31 December 2023, representing a decrease of approximately 30.0%. Such decrease was mainly due to the decrease in borrowings.

### ***Loss before income tax***

As a result of the aforesaid, the Group recorded a loss before income tax of approximately HK\$37.5 million for the year ended 31 December 2024 from approximately HK\$46.6 million for the year ended 31 December 2023, representing a decrease of approximately 19.5%.

### ***Income tax credit (expense)***

The Group recorded income tax credit of approximately HK\$0.4 million for the year ended 31 December 2024 and income tax expense of approximately HK\$0.3 million for the year ended 31 December 2023. The income tax credit is generated from the impairment losses on intangible asset.

### ***Total comprehensive expenses attributable to owners of Company***

The total comprehensive expenses attributable to owners of the Company decreased to approximately HK\$34.6 million for the year ended 31 December 2024 from approximately HK\$48.5 million for the year ended 31 December 2023, representing a decrease of approximately 28.7%. Such decrease was mainly due to decrease in loss on the equine segment compare with the preceding year.

### ***Basic and diluted loss per share***

The Company's basic and diluted loss per share for the year ended 31 December 2024 was approximately HK9.05 cents (2023: basic and diluted loss per share of HK11.44 cents), representing a decrease of approximately 20.9%, which was mainly due to the decrease in loss attributable to owners of the Company.

### ***Final dividend***

The board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

### **Liquidity and Financial Resources**

For the year ended 31 December 2024, the Group's operations were primarily financed through its operating and financing activities. The Directors believe that in the long term, the Group's operations will continue to be funded by a combination of cash generated from the Group's operating activities and financing activities.

The Group's cash and bank balances amounted to approximately HK\$3.8 million and approximately HK\$4.1 million as at 31 December 2024 and 2023, respectively. The functional currency of the Group is Hong Kong dollar. As at 31 December 2024, 94.1% of the Group's cash and bank balances were denominated in the Group's functional currency (31 December 2023: 93.4%) and the remaining 5.9% (31 December 2023: 6.6%) were denominated in other currencies, mainly Renminbi and Australian Dollars.

As at 31 December 2024, the Group has net current assets of approximately HK\$0.2 million as compared with net current liabilities of approximately HK\$10.5 million as at 31 December 2023. The current assets included trade receivables, contract assets, deposit and other receivables, inventories, biological assets, tax recoverable and cash and cash equivalents. The Group's current ratio increased to approximately 1.01 as at 31 December 2024 from approximately 0.8 as at 31 December 2023.

## **Gearing Ratio**

The Group's gearing ratio is calculated based on net debt (including borrowings, trade payables, other payables and accruals, and lease liabilities, and retirement benefit obligation less cash and cash equivalents) divided by the total equity plus net debt at the respective reporting date. The gearing ratio is approximately 173.1% and approximately 73.5% as at 31 December 2024 and 2023, respectively. The increase of the gearing ratio was mainly attributable to the loss incurred during the year.

## **Capital Commitments**

As at 31 December 2024, the Group did not have any capital commitments (as at 31 December 2023: nil).

## **Capital Structure**

During the year ended 31 December 2024, there was no change in the capital structure of the Group and the share capital of the Group only comprises ordinary shares of the Company (the "Shares").

As at 31 December 2024, the Company's issued share capital amounted to approximately HK\$20.5 million, divided by 409,141,860 Shares of HK\$0.05 each.

## **Significant Investments**

There were neither significant investment held as at 31 December 2024 nor material acquisitions during the year ended 31 December 2024.

## **Material Acquisitions or Disposals of Subsidiaries and Affiliated Companies**

For the year ended 31 December 2024, the Group did not have any material acquisitions of subsidiaries and affiliated companies and the Group had disposed the major subsidiaries of the manufactures polyester sewing threads segment on 27 January 2025.

## **Future Plans for Material Investments and Capital Assets**

There is no plan for material investment or capital assets as at 31 December 2024.

## **Contingent Liabilities**

As at 31 December 2024, the Group did not have material contingent liabilities (as at 31 December 2023: Nil).

## Treasury Policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## Foreign Exchange Exposure

The Group is exposed to foreign currency risk when it enters into transactions which are not denominated in the Group's functional currency. Such exposure mainly relates to the distribution and sale of the Group's products and purchases of raw materials in the PRC and the acquisition and disposal of broodmares and stallions and the equine services income in Australia. The Group currently does not have a foreign currency hedging policy. Yet, the Group's management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## Pledge of Assets

As at 31 December 2024 and 31 December 2023, the following assets were pledged to lenders to secure certain borrowings granted to the Group:

	<b>As at 31 December 2024</b>	As at 31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	—	3,384
Investment property	—	4,300
All biological asset	—	11,540
	<hr/>	<hr/>
	<b>—</b>	<b>19,224</b>
	<hr/> <hr/>	<hr/> <hr/>

## Employees and Remuneration Policies

As at 31 December 2024, the Group employed a total of 79 employees (as at 31 December 2023: 123), of whom 60 were located in the PRC and 19 were located in Hong Kong. The Group's staff costs mainly comprised wages and salaries, social insurance, housing provident fund and severance payments. For the two years ended 31 December 2024 and 2023, the Group's total staff costs (excluding Directors' emoluments) amounted to approximately HK\$10.2 million and HK\$14.2 million, respectively. The Group offers remuneration packages comprising basic salaries, discretionary bonuses and allowances to its management and office staff. For the workers at the Guangzhou Production Facilities, the Group offers them salaries above the minimum wage, promotion opportunities and budgets for social events.

The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour laws, rules and regulations in the PRC, the Group participates in defined contribution retirement benefit scheme (the "**Retirement Benefit Scheme**") organised by the relevant local government authorities in the PRC whereby the Group is required to make contributions to the Retirement Benefit Scheme at a certain rate of the standard wages determined by the relevant authorities in the PRC during the year. Contributions to the Retirement Benefit Scheme vest immediately.

There was no forfeited contribution under the MPF Scheme and Retirement Benefit Scheme which may be used by the Group to reduce the contribution payable in the future years.

The remuneration committee of the Company is responsible for reviewing and determining the remuneration packages of the Directors and senior management members with reference to the salaries paid by comparable companies, time commitment and responsibilities, employment conditions elsewhere in the Group and the desirability of performance-based remuneration. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The existing share option scheme of the Company (the “**Share Option Scheme**”) was adopted by the Company at the extraordinary general meeting of the Company held on 8 February 2023 and the previous share option scheme of the Company adopted on 24 November 2017 (the “**Old Share Option Scheme**”) was terminated on the same date. Under the Old Share Option Scheme and the Share Option Scheme the Company may grant options to, among others, any employees (full-time or part-time) or Directors with a view to rewarding them for their contributions to the Group, giving incentive to them for optimising their performance and efficiency and attracting as well as retaining those whose future contributions are important to the long-term growth and profitability of the Group. Since the adoption of the Share Option Scheme and up to the date of this annual report, no share options have been granted pursuant to the Share Option Scheme. Details of share granted under the Old Share Option Scheme are set out in the header of “OTHER INFORMATION” of this announcement.

### **Compliance with Laws and Regulations**

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Group has in all material respects complied with all relevant laws, rules and regulations that have a significant impact on the Group and its operations in Hong Kong, PRC and Australia.

### **Environmental Policies and Performance**

In order to better integrate the concept of social responsibility into the Group’s strategy and decision-making and to further guide the Group to develop a socially responsible practice, the Group has established an environmental, social and governance (“**ESG**”) report preparation team. While preparing the report, the Group strives to incorporate the notion of sustainable development into its daily operations.

Meanwhile, the Group has established a systematic stakeholder communication channel with the aim to facilitate positive interactions with the Group’s stakeholders, actively respond to relevant litigation issues and promote quality, effective and sustainable growth. Throughout the year ended 31 December 2024, the Group has maintained its business integrity and dedication to environmental protection, while continuously striving to improve quality management and employee care.

For further information in relation to the Group's ESG practices, please refer to the Group's separate ESG report, which is published on the websites of the Stock Exchange and the Company.

### **Relationship with Stakeholders**

Employees are considered to be one of the most important factors that contribute to the productivity of the Group. Employees of the Group are mainly provided with on-the-job training as well as remuneration packages and allowances.

The Group also communicates closely with its customers to obtain valuable feedback and provides them with information about the Group's products and trends in the sewing threads market. The Group has maintained business relationships with its five largest customers for a period ranging from approximately five to twenty years, respectively. Likewise, the Group has also established stable relationships with its suppliers. As such, the Directors believe that the Group has developed a trustworthy and reliable reputation as well as a strong partnership with its customers and suppliers.

### **Future Plans and Prospects**

For the existing principal business of manufacturing and selling of sewing threads, the Group has disposed on 27 January 2025 and shareholders can refer to the announcement on 2 October 2024.

For the business line of interior design, fitting out and decoration services, the Group considers that there is a growing popularity of interior design, fitting-out and decoration in commercial, residential and public sectors in Hong Kong and the Greater Bay Area to seek individuality and style. Hence, the Group expected this business line will become a principal business in our Group in 2025. The Group will release more resources to expand this segment and source more new higher profit margin customers in 2025.

For the equine services segment, the management will adopt prudent approach to consider the business opportunity and maintain lower operation costs for this segment in 2025.

The Directors would continue to review the existing businesses of the Group from time to time with a view to improve the business operation and financial position of the Group. The Board considers that it is beneficial for the Group to seek suitable investment and disposal opportunities with a view to increase the value of the Group and maximise returns to the Shareholders.

## OTHER INFORMATION

### Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures of the Company and Any Associated Corporation

As at 31 December 2024, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and 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 were (a) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) required to be recorded in the register required to be kept under section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### *Long position in the Shares and underlying Shares*

##### *(a) Ordinary shares of the Company*

<b>Name of Director</b>	<b>Nature of interest/ Holding capacity</b>	<b>Number of ordinary shares held</b>	<b>Percentage of issued share capital of the Company (Note 1)</b>
Mr. Wong Kwok Wai, Albert	Interest of a controlled corporation	120,000,000 (L) (Note 2)	29.33%
Mr. Leung King Yue, Alex	Beneficial owner	10,100,000 (L)	2.47%
Mr. Leung Tat Chi	Beneficial owner	17,460,466 (L)	4.27%

(b) *Share options of the Company*

Name of category of participant	Date of grant of share option	Exercisable period	Exercise price HK\$	Number of underlying shares in respect of which share option were granted				Outstanding at 31 December 2024
				Outstanding at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	
<b>Directors</b>								
Mr. Leung King Yue, Alex	31 August 2022	31 August 2022– 30 August 2025	0.59	4,000,000	—	—	—	4,000,000
Mr. Ma Pok Man, Josiah (note 3)	13 May 2021	13 May 2021– 12 May 2024	0.57	3,500,000	—	—	(3,500,000)	—
Mr. Ma Pok Man, Josiah (note 3)	31 August 2022	31 August 2022– 30 August 2025	0.59	4,000,000	—	—	(4,000,000)	—
Mr. Shane McGrath (note 4)	3 January 2022	3 January 2022– 2 January 2025	0.492	4,091,418	—	—	(4,091,418)	—
<b>Other eligible participants</b>								
Nil	—	—	—	—	—	—	—	—
				<u>15,591,418</u>	<u>—</u>	<u>—</u>	<u>(11,591,418)</u>	<u>4,000,000</u>

*Notes:*

- As at the date of this announcement, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
- Three Gates Investment Limited (“**Three Gates Investment**”), a company incorporated in the British Virgin Islands on 15 August 2016 is wholly and beneficially owned by Mr. Wong Kwok Wai, Albert (“**Mr. Wong**”), who is the chairman and an executive director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of the SFO.
- Mr. Ma Pok Man, Josiah resigned as an executive director of the Company on 29 February 2024.
- Mr. Shane McGrath resigned as an executive director of the Company on 6 September 2024.

Except as disclosed above, as at 31 December 2024, none of the Directors or the chief executive of the Company had any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange according to rules 5.46 to 5.67 of the GEM Listing Rules.

### **Interests and Short Positions of Substantial Shareholders in the Shares and Underlying Shares of the Company**

To the best knowledge of the Directors, as at 31 December 2024, the following persons or corporations (other than the Directors and the chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

#### ***Long position in the Shares and underlying Shares***

<b>Name of Substantial Shareholder</b>	<b>Nature of interest/ Holding capacity</b>	<b>Number of ordinary shares held</b>	<b>Percentage of issued share capital of the Company (Note 1)</b>
Three Gates Investment	Beneficial owner	120,000,000 (Notes 2, 3)	29.33%
Gold-Face Finance Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Credit and Mortgage Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Good Foundation Company Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Strategic Company Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Upbest Financial Holdings Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%

Name of Substantial Shareholder	Nature of interest/ Holding capacity	Number of ordinary shares held	Percentage of issued share capital of the Company (Note 1)
Upbest Group Limited	Person having a security interest in Shares	80,000,000 (Notes 3, 4)	19.55%
Fung Wing Cheung, Tony	Beneficial owner	40,800,000	9.97%

*Notes:*

1. As at the date of this announcement, the Company's issued ordinary share capital was HK\$20,457,093 divided into 409,141,860 Shares of HK\$0.05 each.
2. Three Gates Investment is wholly and beneficially owned by Mr. Wong, who is the chairman and an executive Director of the Company. Therefore, Mr. Wong is deemed to be interested in 120,000,000 Shares held by Three Gates Investment by virtue of his 100% shareholding interest in Three Gates Investment.
3. 80,000,000 Shares held by Three Gates Investment have been charged in favour of Gold-Face Finance Limited ("**Gold-Face**") as security for a loan granted in favour of Mr. Wong Kwok Wai, Albert, the chairman, chief executive officer, executive director and controlling shareholder of the Company.
4. As Gold-Face is wholly-owned by Upbest Credit and Mortgage Limited, which in turn is wholly-owned by Upbest Strategic Company Limited and Good Foundation Company Limited in equal parts, which in turn are both wholly-owned by Upbest Financial Holdings Limited, which in turn is wholly-owned by Upbest Group Limited, Upbest Credit and Mortgage Limited, Upbest Strategic Company Limited, Good Foundation Company Limited, Upbest Financial Holdings Limited and Upbest Group Limited are all deemed to be interested in the security interest in the 80,000,000 Shares charged in favour of Gold-Face by virtue of the SFO.

Except as disclosed above, as at 31 December 2024, the Directors are not aware of any interests and short positions owned by any other parties, other than a Director or the chief executive of the Company who held interests or short positions in the shares and the underlying shares of the Company, which were required to be recorded under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

## **Corporate Governance Practices**

The Board believes that cultivating and maintaining a culture focused on good corporate governance is essential to effect strong business growth and continue the efficient management of the Company. The Directors are of the view that strong corporate governance practices can safeguard the interests of and ensure accountability to the Shareholders as a whole.

The corporate governance code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules has been adopted by the Board. Nevertheless, the Directors are committed to regularly reviewing its corporate governance practices to ensure conformity with the standard set out in the CG Code, as well as meeting the rising expectation of the Shareholders and other stakeholders of the Company.

Except for the deviation from code provision A.2.1 of the CG Code, details of which are set out in the section headed “Chairman and Chief Executive Officer” in this corporate governance report, the Board is of the view that the Company has complied with the code provisions for the year ended 31 December 2024.

## **Model Code for Directors’ Securities Transactions**

The Company has adopted the standard of dealings regarding securities transactions by the Directors equivalent to the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Directors have all confirmed, having been made specific enquiry by the Company, that they have complied with the required standard of dealings and the required standard concerning securities transactions by the Directors during the year ended 31 December 2024.

## **Purchase, Sale or Redemption of The Company’s Listed Securities**

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2024 and up to the date of this announcement.

## **Directors’ and Controlling Shareholders’ Interests in Competing Businesses**

The Directors and the controlling shareholders of the Company have confirmed that for the year ended 31 December 2024 and up to the date of this annual report, none of the Directors, controlling Shareholders or any of their respective close associates (as defined in the GEM Listing Rules) engaged in any businesses that compete or may compete with the business of the Group, or had any other conflict of interest with the Group.

On 24 November 2017, each of Mr. Wong Kwok Wai, Albert and Three Gates Investment, being the controlling Shareholders, entered into a non-competition undertaking in favour of the Company, details of which were set out in the section headed “Relationship with our Controlling Shareholders — Non-competition Undertaking” in the Prospectus. Such undertakings have been fully complied with and enforced during the year ended 31 December 2024 and up to the date of this announcement.

The Board confirms that as at the date of this annual report, no other matters are required to be brought to the attention of the Shareholders and the potential investors.

Further, the independent non-executive Directors confirm that they have reviewed the enforcement of such undertakings and conclude that there are no outstanding issues regarding the undertakings that need to be raised with the Shareholders and the Company.

### **Events after the year ended 31 December 2024**

As disclosed in Note 13 in this announcement, the disposal of Strat Tech Group is completed on 27 January 2025.

### **Sufficiency of Public Float**

The Directors confirm that during the year ended 31 December 2024 and up to the date of this announcement, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has complied with the minimum public float as required under the GEM Listing Rules.

### **Audit Committee**

The Audit Committee was established pursuant to rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee is mainly responsible for reviewing financial information, monitoring the Company’s financial reporting system and internal control procedures and maintaining the relationship with the Company’s auditors.

The Audit Committee consists of three independent non-executive Directors, namely, Mr. Chan Tsun Choi, Arnold (the chairman), Mr. Tang Chun Hei and Mr. Chow Chin Hang, Joel. No member of the current Audit Committee is a member of the previous independent auditor of the Company. The Audit Committee has reviewed this annual report as well as the consolidated results of the Group for the year ended 31 December 2024.

## **Publication of Information on the Website of the Stock Exchange**

This announcement will be published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.harbourequine.com](http://www.harbourequine.com)). The annual report for the year ended 31 December 2024 containing all the information required by the GEM Listing Rules will be published on the respective websites of the Stock Exchange and the Company and despatched to the Shareholders in due course.

## **Scope of Work of Independent Auditor**

The figures in respect of the Group's consolidated statement of financial position as at 31 December 2024 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on this preliminary announcement.

By order of the Board  
**HARBOUR EQUINE HOLDINGS LIMITED**  
**Wong Kwok Wai, Albert**  
*Chairman, chief executive officer  
and executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Wong Kwok Wai, Albert, Mr. Chan Yiu Tung, Enoch, Mr. Leung King Yue, Alex and Mr. Leung Tat Chi; one non-executive Director, namely Ms. Ho Wing Shan; and three independent non-executive Directors, namely, Mr. Chan Tsun Choi, Arnold, Mr. Chow Chin Hang, Joel and Mr. Tang Chun Hei.*

*This announcement, for which the Directors 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 of Hong Kong Limited 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 announcement 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 announcement misleading.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.harbourequine.com](http://www.harbourequine.com).*