

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, 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 document.



CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)

THE CHAIRMAN'S STATEMENT FOR 2024

For the year ended 31 December 2024, CK Life Sciences Int'l. (Holdings) Inc. ("CK Life Sciences" or the "Company") reported a loss attributable to shareholders of HK\$126.6 million, compared with profit HK\$17.3 million in 2023, a negative variance of HK\$143.9 million. The change from profit in 2023 into loss in 2024 in our financial results is mainly due to two factors:

- a) our conscious decision to increase the R&D investment from HK\$145.9 million in 2023 to HK\$254.1 million in 2024, an increase of HK\$108.2 million, in order to accelerate the progress of R&D programmes, and
- b) a post-tax decline in the fair value of the vineyard portfolio (excluding properties contracted for sale) of HK\$40.4 million year-on-year.

Had the R&D expenses and the vineyard portfolio fair value in 2024 been the same as 2023, the net profit contribution in 2024 would have been a slight increase over that of 2023 (by HK\$4.7 million).

The Board of Directors has not recommended a final dividend for the year ended 31 December 2024 (2023: Nil).

PHARMACEUTICALS & DIAGNOSTICS R&D

CK Life Sciences is committed to R&D, with a strong focus on developing groundbreaking therapeutics for pain management and cancer, as well as novel and accessible solutions for the early detection of cancer. We strive to make transformative contributions that reshape the landscape of cancer detection and treatment, through our dedication to innovation and the use of advanced technologies.

Pain Management & Therapeutic Cancer Vaccines

The management of cancer pain may involve the use of morphine and other opiates, often with undesirable side effects. Recognising the substantial market potential and urgent need for non-opioid analgesics, our subsidiary WEX Pharmaceuticals had been actively developing Halneuron® as a platform pain management solution to address different types of pain. To accelerate Halneuron®'s development and gain access to US capital markets, WEX Pharmaceuticals merged with NASDAQ-listed Virios Therapeutics to form Dogwood Therapeutics ("DWTX") in October 2024. The DWTX management team plans to dose the first patient in the Phase IIb clinical trial in the first quarter of 2025. The trial is intended to demonstrate efficacy and safety of Halneuron® in the management of chemotherapy-induced neuropathic pain ("CINP").

Simultaneously, we have made substantial progress in the R&D of therapeutic cancer vaccines, with pipeline candidates in both clinical and discovery/preclinical stages of development. Our most advanced cancer vaccine, seviprotimut-L, is being tested for the adjuvant treatment of patients with Stage IIB or IIC melanoma to delay recurrence following surgical resection. We worked diligently to overcome manufacturing disruptions to produce materials for the pivotal Phase III clinical trial.

At the discovery and preclinical development stage, we have a growing portfolio of therapeutic cancer vaccines designed to target diverse tumour antigens and other components in the tumour-immune microenvironment. Several of these cancer vaccines are demonstrating promising results in the laboratory, and data from our preclinical studies have been presented at major cancer conferences. In addition, we are exploring exciting new avenues for innovation, including leveraging Artificial Intelligence to enhance the discovery and development of new cancer vaccines. By harnessing the tremendous potential of Artificial Intelligence and strategically investing in cutting-edge enabling technologies, we are committed to accelerating progress in the field of cancer vaccines.

Cancer Diagnostics

With the alarming increase in cancer rates among individuals under the age of 50, there is an urgent need for early detection to facilitate timely intervention and improve patient outcomes. We have strategically invested in the R&D of liquid biopsy tests, which provide a non-invasive and cost-effective approach to cancer detection, through analysing tumour-associated biomarkers in blood samples. By fostering innovation in this area, we aim to enhance cancer detection methodologies and ultimately improve patient outcomes through early detection.

In accordance with our accounting policy, continuous investment in our pharmaceutical and diagnostics R&D projects is recognised as an expense in the period in which it is incurred.

NUTRACEUTICAL BUSINESS

CK Life Sciences' nutraceutical business comprises (i) Vitaquest International Holdings LLC ("Vitaquest") in the United States; (ii) Santé Naturelle A.G. Ltée ("SNAG") in Canada; as well as (iii) Lipa Pharmaceuticals Limited ("Lipa") in Australia.

Inflation and economic instability continued to loom large over our nutraceutical business. Nevertheless, the segment reported a 3% growth in profit over 2023, reaching HK\$292.5 million.

In addition to making headway in bringing in new customers and expansion of manufacturing capabilities, Vitaquest improved throughput efficiency by maximising usage of capacity in existing equipment and leveraging material cost reduction through reevaluation of suppliers. It also increased its industry accreditation, successfully obtaining United States Pharmacopeia (USP) certification, a sign of superior quality standard.

Lipa leveraged the quality cachet associated with Australian-made products to drive customer diversification into international markets, especially in Asia. It committed investment in new probiotics manufacturing to satisfy surging global demand in this important product segment. Complementary Medicines Australia (CMA), an industry association, recognised Lipa's sustainability effort with its 2024 Sustainability Award.

SNAG capitalised on increased demand for wellness products following the Covid-19 pandemic by offering new solutions and implementing innovative marketing and merchandising strategies. Focus on mitigating the impact of inflation and cost escalation yielded satisfactory results.

AGRICULTURE-RELATED BUSINESS

Our agriculture-related business consists of three main streams – (i) a vineyard portfolio; (ii) Australian Agribusiness (Holdings) Pty Ltd ("Australian Agribusiness"); and (iii) the salt business.

The underlying profit contribution from the agriculture-related business excluding fair value changes (except for contracted properties to be disposed) was HK\$323.9 million, an increase of 4% over 2023. Including the fair value changes, the profit of the segment was 13% below 2023.

CK Life Sciences owns over 6,000 hectares of vineyards in Australia and New Zealand, all rented to wine companies or growers on long-term leases to generate steady and secure cash flow. At the end of each year, we are required to engage professional valuers to assess the fair value of our vineyard portfolio. The fair value at the end of 2024 declined for the first time in many years – a post-tax decline (excluding properties contracted for sale) of HK\$40.4 million year-on-year – reflecting oversupply issues within the wine industry and headwinds in the broader economy. Operationally, the vineyard business remains sound. We implemented crop protection and replanting programmes aimed at raising the quality of the portfolio. We successfully renewed expiring leases and adjusted the composition of the portfolio.

Australian Agribusiness implemented cost reduction measures and adjusted product mix to protect margins by mitigating the impact of erratic material pricing and high levels of trade inventory. New product launches helped make up for sluggish demand resulting from high trade inventory of existing products.

The salt business in both Australia and New Zealand improved financial performance through operational excellence and price management programmes in the face of inflationary pressure and increased energy cost. The diverse range of customer segments provides a degree of natural protection against the impact of weather on demand.

SUSTAINABILITY

We have raised our commitment to dealing with climate change to another level by helping acquire over 350,000 hectares of land in Western Australia dedicated to regenerative agriculture and carbon sequestration. This move establishes a model in which responsibility towards the environment can also generate financial return.

We have undertaken scenario analysis to understand the potential impact of climate change on our business, both in terms of risks it poses and the opportunities it creates. In addition to increasing transparency in disclosure, it enables us to put in place effective measures to mitigate the impact.

PROSPECTS

With rapid changes in the geopolitical environment, we anticipate uncertainty in operating conditions to continue. While the fundamentals of our operating businesses remain strong, sustained investment in late-stage R&D projects will have an impact on profit attributable to shareholders in the foreseeable future.

Once again, I would like to express my appreciation to our staff for their commitment and dedication in adversity. I would also like to thank our shareholders and the Board of Directors for their continued support and contribution.

Victor T K Li
Chairman

Hong Kong, 18 March 2025

FINANCIAL REVIEW

Financial Resources, Liquidity and Treasury Policies

In 2024, the financial and liquidity position of the Group continued to be sound and healthy. It was financed mainly from internal sources such as cash generated from business activities as well as other sources such as borrowings from banks.

The Group's bank borrowings were mainly for the acquisition of the Group's overseas businesses as well as providing general working capital. As at 31 December 2024, the bank borrowings amounted to HK\$5,474.9 million. All these borrowings were made on a floating interest rate basis and were granted based on some committed terms by, and with the guarantees of, the Company. As at 31 December 2024, certain assets of the Group's overseas subsidiaries with carrying value of HK\$695.5 million were pledged as part of the security for bank borrowings totalling HK\$112.3 million. The total interest expenses on bank borrowings of the Group for the year were HK\$310.3 million.

At the end of 2024, the total assets of the Group were about HK\$10,788.6 million, of which bank balances and time deposits were about HK\$554.0 million and listed investment in securities were about HK\$17.2 million.

The total net assets of the Group as at 31 December 2024 were HK\$3,511.5 million, representing HK\$0.37 per share. The net debt to net total capital ratio of the Group as at 31 December 2024 was approximately 58.36%, which is calculated as the Group's net borrowings over the aggregate of the Group's total equity and net borrowings. For this purpose, the Group defines net borrowings as bank borrowings less cash, bank balances and time deposits.

The Group's treasury function operates as a centralised service for managing financial risks, including interest rate and foreign exchange risks, and for providing cost efficient funding to the Group. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to interest rates fluctuation. It monitors its overall net debt position closely, reviews its funding costs and maturity profile regularly, and takes necessary actions to facilitate refinancing whenever appropriate.

Material Acquisitions/Disposals and Significant Investments

There was no material acquisition/disposal during the year under review.

The Group has always been investing significantly in research and development activities. Total research and development expenditure incurred in 2024 amounted to about HK\$254.1 million.

Capital Commitments and Future Plans for Material Investments or Capital Assets

As of 31 December 2024, the total capital commitments by the Group amounted to HK\$64.4 million which were mainly made up of contracted/authorised commitments in respect of the acquisition of plant and equipment, and maintenance of vineyards.

Information on Employees

The total number of full-time employees of the Group was 2,033 as at 31 December 2024 (2023: 1,932). The total staff costs, including directors' emoluments, amounted to approximately HK\$1,237.6 million for the year under review, which represents an increase of 9.5% as compared to the previous year.

The Group's remuneration policies and fringe benefits remained basically the same as before. The Group would ensure the pay levels of its employees are competitive and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Contingent Liabilities

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

Consolidated Income Statement

For the year ended 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Revenue	3	5,522,674	5,322,733
Cost of sales		(3,830,119)	(3,685,525)
		1,692,555	1,637,208
Other income, gains and losses	4	168,090	166,828
Staff costs	5	(655,399)	(593,381)
Depreciation		(89,206)	(93,573)
Amortisation of intangible assets		(2,506)	(2,547)
Other expenses	6	(867,980)	(723,859)
Finance costs	7	(337,184)	(322,425)
Share of results of joint ventures		148	333
(Loss)/profit before taxation		(91,482)	68,584
Taxation	8	(35,072)	(51,334)
(Loss)/profit for the year		(126,554)	17,250
Attributable to:			
Shareholders of the Company		(126,554)	17,250
(Loss)/earnings per share	9		
- Basic		(1.32) cents	0.18 cents

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
(Loss)/profit for the year	<u>(126,554)</u>	<u>17,250</u>
Other comprehensive (expenses)/income		
Item that will not be reclassified to profit or loss:		
Actuarial gain/(loss) of defined benefit retirement plan	51	(249)
Gain on revaluation of property, plant and equipment	<u>339</u>	<u>17,413</u>
	390	17,164
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising from translation of foreign operations	<u>(551,541)</u>	<u>74,740</u>
Other comprehensive (expenses)/income for the year	<u>(551,151)</u>	<u>91,904</u>
Total comprehensive (expenses)/income for the year	<u>(677,705)</u>	<u>109,154</u>
Attributable to:		
Shareholders of the Company	<u>(677,705)</u>	<u>109,154</u>

Consolidated Statement of Financial Position

As at 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Non-current assets			
Investment properties		1,581,730	1,827,660
Property, plant and equipment		2,098,832	2,373,127
Right-of-use assets		471,053	374,621
Intangible assets		3,419,054	3,572,711
Interests in joint ventures		6,303	5,875
Other financial assets		42,900	42,900
Loan receivable		128,700	-
Deferred taxation		75,094	58,036
		7,823,666	8,254,930
Current assets			
Other financial assets		17,242	11,843
Tax recoverable		4,044	21,189
Inventories		1,157,332	1,204,538
Receivables and prepayments	11	1,232,314	1,090,590
Bank balances and deposits		553,970	664,320
		2,964,902	2,992,480
Current liabilities			
Payables and accruals	12	(904,319)	(850,094)
Bank borrowings		(1,276,615)	(1,150,000)
Lease liabilities		(73,741)	(71,780)
Taxation		(58,633)	(28,687)
		(2,313,308)	(2,100,561)
Net current assets		651,594	891,919
Total assets less current liabilities		8,475,260	9,146,849

Consolidated Statement of Financial Position (cont'd)
As at 31 December 2024

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
Non-current liabilities		
Bank borrowings	(4,198,283)	(4,272,947)
Lease liabilities	(551,030)	(436,381)
Deferred taxation	(204,106)	(238,567)
Retirement benefit obligations	<u>(10,293)</u>	<u>(9,701)</u>
	<u>(4,963,712)</u>	<u>(4,957,596)</u>
Total net assets	<u><u>3,511,548</u></u>	<u><u>4,189,253</u></u>
Capital and reserves		
Share capital	961,107	961,107
Share premium and reserves	<u>2,550,441</u>	<u>3,228,146</u>
Total equity	<u><u>3,511,548</u></u>	<u><u>4,189,253</u></u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to shareholders of the Company									Total
	Share capital	Share premium	Investment at fair value through other comprehensive income reserve	Translation reserve	Asset revaluation reserve	Other reserves	Retained earnings	Sub-total	Attributable to non-controlling interests of a subsidiary	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2023	961,107	3,186,435	(103,347)	(1,706,416)	41,885	(541,036)	2,319,573	4,158,201	(2,751)	4,155,450
Profit for the year	-	-	-	-	-	-	17,250	17,250	-	17,250
Exchange differences arising from translation of foreign operations	-	-	-	74,740	-	-	-	74,740	-	74,740
Actuarial loss of defined benefit retirement plan	-	-	-	-	-	-	(249)	(249)	-	(249)
Gain on revaluation of property, plant and equipment	-	-	-	-	17,413	-	-	17,413	-	17,413
Total comprehensive income for the year	-	-	-	74,740	17,413	-	17,001	109,154	-	109,154
Acquisition of additional interests in a subsidiary	-	-	-	-	-	(1,213)	-	(1,213)	2,751	1,538
Dividends paid to the shareholders of the Company – 2022 final dividend HK\$0.008 per share	-	(76,889)	-	-	-	-	-	(76,889)	-	(76,889)
As at 31 December 2023	961,107	3,109,546	(103,347)	(1,631,676)	59,298	(542,249)	2,336,574	4,189,253	-	4,189,253
Loss for the year	-	-	-	-	-	-	(126,554)	(126,554)	-	(126,554)
Exchange differences arising from translation of foreign operations	-	-	-	(551,541)	-	-	-	(551,541)	-	(551,541)
Actuarial gain of defined benefit retirement plan	-	-	-	-	-	-	51	51	-	51
Gain on revaluation of property, plant and equipment	-	-	-	-	339	-	-	339	-	339
Total comprehensive (expenses)/income for the year	-	-	-	(551,541)	339	-	(126,503)	(677,705)	-	(677,705)
As at 31 December 2024	961,107	3,109,546	(103,347)	(2,183,217)	59,637	(542,249)	2,210,071	3,511,548	-	3,511,548

Notes to the Consolidated Financial Statements

1. General Information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in research and development, manufacturing, commercialisation, marketing and selling of health and agriculture-related products, as well as investment in a portfolio of vineyards, and various financial and investment products.

2. Application of Amendments to Hong Kong Financial Reporting Standards

In the current year, the Group has adopted, for the first time, a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) (collectively “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) which are effective in the current year.

Except as described below, the adoption of other new HKFRSs has no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The application of the amendments has no material impact on the Group's financial position and performance.

Amendments to HKAS 7 and HKFRS 7 Suppliers Finance Arrangements

The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.

In addition, HKFRS 7 Financial Instruments: Disclosures (“HKFRS 7”) was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The application of the amendments in the current year had no material impact on the consolidated financial statements but with more disclosures required.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendment to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the income statement and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements

Apart from the above, the Group is also in the process of assessing the impact of other new HKFRSs, which are not yet effective, on the Group’s consolidated financial statements. Up to the date of approval of financial statements, the Group anticipates the application of such new and amendments to HKFRSs will have no material impact on the Group.

3. Revenue

Revenue represents net invoiced value of goods sold, after allowance for returns and trade discounts, as well as rental income and income from investments, and is analysed as follows:

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
Sales of goods:		
Agriculture-related	1,906,977	1,913,356
Nutraceutical	3,451,588	3,242,902
Revenue from contracts with customers	<u>5,358,565</u>	<u>5,156,258</u>
Rental income (included in agriculture-related segment)	162,768	165,308
Investment income	<u>1,341</u>	<u>1,167</u>
	<u>5,522,674</u>	<u>5,322,733</u>

Rental income represents the operating lease income with fixed lease payments.

4. Other Income, Gains and Losses

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
Included in other income, gains and losses are:		
Interest income from bank deposits	13,530	12,942
Other interest income	365	237
Exchange loss	(4,200)	(11,517)
Net unrealised (loss)/gain on fair value changes of investment properties	(105,598)	32,191
Net (impairment)/reversal of impairment of property, plant and equipment	(33,486)	3,288
Net reversal of impairment of intangible assets	2,172	3,886
Net impairment of trade receivables	(5,484)	(683)
Impairment of other receivable	(5,000)	-
Net gain on disposal of investment properties	1,783	8,060
Gain on disposal of intangible assets	172,195	77,763
Net gain on disposal of property, plant and equipment	28,720	8,808
Gain arising from sale and leaseback transactions	42,133	-
Fair value gain/(loss) on investments mandatorily measured at fair value through profit or loss		
- Investments held for trading	<u>5,399</u>	<u>(348)</u>

5. Staff Costs

Staff costs which include salaries, bonuses, retirement benefit scheme contributions and recruitment costs for the year amounted to HK\$1,237.6 million (2023: HK\$1,130.4 million) of which HK\$582.2 million (2023: HK\$537.0 million) relating to direct labor costs were included in cost of sales.

6. Other Expenses

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
Included in other expenses are:		
Auditor's remuneration	21,761	14,603
Clinical trial and laboratory expenses	160,811	100,878
Freight and delivery expenses	326,821	345,250
Information technology expenses	42,174	39,775
Insurance expenses	26,809	23,994
Professional, legal and consultancy expenses	66,575	43,630
Selling, promotion, advertising and related expenses	80,020	52,749

7. Finance Costs

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings	310,318	300,024
Lease liabilities	26,866	22,401
	<u>337,184</u>	<u>322,425</u>

8. Taxation

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
The tax expenses for the year represent:		
Current tax		
Hong Kong	-	7
Other jurisdictions	68,840	19,704
(Over)/under provision in prior years		
Hong Kong	-	-
Other jurisdictions	(4,374)	3,991
Deferred tax		
Hong Kong	-	-
Other jurisdictions	(29,394)	27,632
	<u>35,072</u>	<u>51,334</u>

Hong Kong profits tax has been provided for at the rate of 16.5% of the estimated assessable profits. Taxation arising from other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. (Loss)/earnings Per Share

The calculations of the basic (loss)/earnings per share attributable to shareholders of the Company are based on the following data:

	<u>2024</u>	<u>2023</u>
	HK\$'000	HK\$'000
(Loss)/profit for the year attributable to shareholders of the Company		
(Loss)/profit for calculating basic (loss)/earnings per share	<u>(126,554)</u>	<u>17,250</u>
Number of shares		
Number of ordinary shares in issue used in the calculation of basic (loss)/earnings per share	<u>9,611,073,000</u>	<u>9,611,073,000</u>

No diluted (loss)/earnings per share for the years ended 31 December 2024 and 31 December 2023 were presented as there were no potential ordinary shares in issue.

10. Dividends

The Board of Directors has not recommended a final dividend for the year ended 31 December 2024 (2023: Nil).

11. Receivables and Prepayments

	<u>2024</u>	<u>2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Trade receivables related to:		
- Sales of goods	930,858	912,610
- Operating leases	2,332	5,793
	933,190	918,403
Less: provision for impairment	(28,381)	(24,715)
	904,809	893,688
Other receivables, deposits and prepayments	327,505	196,902
	1,232,314	1,090,590

The following is an analysis of trade receivables by age, presented based on invoice dates:

	<u>2024</u>	<u>2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
0 - 90 days	861,565	806,214
Over 90 days	43,244	87,474
	904,809	893,688

12. Payables and Accruals

	<u>2024</u>	<u>2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
Trade payables	332,161	358,123
Other payables and accrued charges	572,158	491,971
	904,319	850,094

The following is an analysis of trade payables by age, presented based on invoice dates:

	<u>2024</u>	<u>2023</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>
0 - 90 days	326,123	353,194
Over 90 days	6,038	4,929
	332,161	358,123

13. Segment Information

The Group's reportable segments and other information required under HKFRS 8 are summarised as follows:

(a) Reportable segment information

	Agriculture-related		Nutraceutical		Pharmaceuticals & Diagnostics R&D		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	2,069,745	2,078,664	3,451,588	3,242,902	-	-	1,341	1,167	5,522,674	5,322,733
Segment results	302,576	349,628	292,508	283,195	(254,084)	(145,874)	-	-	341,000	486,949
Unallocated other income, gains or losses									(1,177)	(8,828)
Corporate expenses									(94,121)	(87,112)
Finance costs									(337,184)	(322,425)
(Loss)/profit before taxation									(91,482)	68,584
Taxation									(35,072)	(51,334)
(Loss)/profit for the year									(126,554)	17,250
Other information										
Interest income	4,723	5,118	5,137	1,706	393	255	3,642	6,100	13,895	13,179
Amortisation of intangible assets	(1,120)	(1,451)	(1,386)	(1,096)	-	-	-	-	(2,506)	(2,547)
Depreciation	(119,066)	(115,809)	(112,673)	(103,567)	(4,163)	(4,190)	(6,750)	(7,628)	(242,652)	(231,194)
Net (impairment)/reversal of impairment of trade receivables	(3,014)	819	(2,470)	(1,502)	-	-	-	-	(5,484)	(683)
Impairment of other receivable	-	-	(5,000)	-	-	-	-	-	(5,000)	-
Net gain on disposal of investment properties	1,783	8,060	-	-	-	-	-	-	1,783	8,060
Gain on disposal of intangible assets	172,195	77,763	-	-	-	-	-	-	172,195	77,763
Net gain/(loss) on disposal of property, plant and equipment	29,003	11,168	(358)	(2,360)	-	-	75	-	28,720	8,808
Gain arising from sale and leaseback transactions	728	-	41,405	-	-	-	-	-	42,133	-
Net unrealised (loss)/gain on fair value changes of investment properties	(105,598)	32,191	-	-	-	-	-	-	(105,598)	32,191
Net (impairment)/reversal of impairment of property, plant and equipment	(33,486)	3,288	-	-	-	-	-	-	(33,486)	3,288
Net reversal of impairment of intangible assets	2,172	3,886	-	-	-	-	-	-	2,172	3,886

(b) Geographical information

Revenue is analysed by the Group's sales by geographical market while the carrying amount of non-current assets is analysed by the geographical area in which the assets are located.

	Revenue		Non-current assets	
	(note i)		(note ii)	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Asia Pacific	2,813,144	2,836,964	4,359,585	4,968,452
North America	2,708,189	2,484,602	3,217,387	3,185,542
	<u>5,521,333</u>	<u>5,321,566</u>	<u>7,576,972</u>	<u>8,153,994</u>

Notes :

- i. Revenue excluding investment income generated from financial instruments.
- ii. Non-current assets excluding deferred tax assets, other financial assets and loan receivable.

The major countries where the group companies domiciled include China (including Hong Kong), Australia, New Zealand, USA and Canada.

The Group does not have any material sales (excluding investment income generated from financial instruments) to countries other than those in which the Group companies are domiciled. There are no material non-current assets (excluding deferred tax assets, other financial assets and loan receivable) which are located in countries other than those in which the Group companies are domiciled.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 31 December 2024, the Company and its subsidiaries did not hold any treasury shares whether in the Clearing and Settlement System, or otherwise.

CORPORATE GOVERNANCE CODE

The Board of Directors ("Board") and the management of the Company are committed to the maintenance of good corporate governance practices and procedures of the Company and its subsidiaries ("Group"). The Company acknowledges a good corporate governance framework is essential for effective management, a healthy corporate culture, business growth and shareholder value enhancement. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company has applied the principles and complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code ("CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 31 December 2024.

The Group adheres to high corporate governance standards and conducts its businesses with ethics and integrity. The Group's vision, values and strategy are inextricably linked to its purpose and business operations. In compliance with the CG Code, the Company has adopted, and regularly reviews its comprehensive set of corporate governance policies such as Anti-Fraud and Anti-Bribery Policy, Anti-Money Laundering Policy, Employee Code of Conduct, Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing, and Whistleblowing Policy - Procedures for Reporting Possible Improprieties. The Group maintains a robust corporate governance framework and internal control systems to uphold its accountability with support from internal and external auditors and other professional advisors.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are Independent Non-executive Directors. The Audit Committee is chaired by Mr. Kwan Kai Cheong with Mr. Paul Joseph Tighe and Mr. Donald Jeffrey Roberts as members.

The Group's annual results for the year ended 31 December 2024 have been reviewed by the Audit Committee and audited by the independent auditor of the Company, Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

A majority of the members of the Company's Remuneration Committee are Independent Non-executive Directors. The Remuneration Committee is chaired by Mrs. Kwok Eva Lee, an Independent Non-executive Director, with another Independent Non-executive Director, Mr. Donald Jeffrey Roberts and the Chairman of the Board, Mr. Victor T K Li, as members.

NOMINATION COMMITTEE

A majority of the members of the Company's Nomination Committee are Independent Non-executive Directors. The Nomination Committee is chaired by Mr. Paul Joseph Tighe, an Independent Non-executive Director, with two other Independent Non-executive Directors, Mrs. Kwok Eva Lee and Mr. Donald Jeffrey Roberts, and the Chairman of the Board, Mr. Victor T K Li, as members.

SUSTAINABILITY COMMITTEE

The Sustainability Committee comprises an Executive Director, an Independent Non-executive Director and the Company Secretary. The Sustainability Committee is chaired by Mr. Ip Tak Chuen, Edmond, Senior Vice President and Chief Investment Officer. Other members include an Independent Non-executive Director, Mr. Paul Joseph Tighe, and the Company Secretary, Ms. Eirene Yeung.

ANNUAL GENERAL MEETING

The 2025 Annual General Meeting ("2025 AGM") of the shareholders of the Company will be held on Thursday, 22 May 2025. Details of the arrangements will be provided in the Company's circular in relation to the 2025 AGM which will be published and disseminated to the shareholders in accordance with the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATES

The record date for determining the eligibility of shareholders (except holders of treasury shares, if any) to attend and vote at the 2025 AGM is Thursday, 22 May 2025. The Register of Members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2025 AGM, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 16 May 2025.

As at the date of this document, the Executive Directors of the Company are Mr. Li Tzar Kuo, Victor (Chairman), Mr. Kam Hing Lam, Mr. Ip Tak Chuen, Edmond, Mr. Yu Ying Choi, Alan Abel, Mr. Lance Richard Lee Yuen and Dr. Toh Kean Meng, Melvin; and the Non-executive Directors are Mr. Peter Peace Tulloch, Mrs. Kwok Eva Lee (Independent Non-executive Director), Mr. Kwan Kai Cheong (Independent Non-executive Director), Mr. Paul Joseph Tighe (Independent Non-executive Director) and Mr. Donald Jeffrey Roberts (Independent Non-executive Director).