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2024 ANNUAL RESULTS ANNOUNCEMENT

The board (the “Board”) of directors (the “Directors”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2024 and the comparative figures for last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Continuing operations			
Revenue	4		
Contracts with customers		94,757	45,858
Leases		6,220	5,825
Interest under effective interest method		—	1,019
Total revenue		100,977	52,702
Cost of revenue		(79,658)	(34,933)
Gross profit		21,319	17,769
Other income	6	166	1,826
Other gains and losses	6	(25,635)	(12,908)
Administrative expenses		(44,654)	(48,162)
Impairment loss on goodwill		(15,013)	—
Impairment losses under expected credit loss (“ECL”) model, net of reversal	7	(3,578)	(2,310)
Share of results of associates		(13,024)	2,898
Finance costs	8	(375)	—
Loss before taxation from continuing operations		(80,794)	(40,887)
Income tax (expense)/credit	9	(19)	479

	<i>NOTES</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Loss for the year from continuing operations	<i>10</i>	(80,813)	(40,408)
Discontinued operation			
Profit for the year from discontinued operation		<u>–</u>	<u>3,112</u>
Loss for the year		<u>(80,813)</u>	<u>(37,296)</u>
(Loss)/profit for the year			
attributable to:			
Owners of the Company			
– from continuing operations		(80,813)	(40,408)
– from discontinued operation		<u>–</u>	<u>1,807</u>
		<u>(80,813)</u>	<u>(38,601)</u>
Non-controlling interests			
– from continuing operations		–	–
– from discontinued operation		<u>–</u>	<u>1,305</u>
		<u>–</u>	<u>1,305</u>
		<u>(80,813)</u>	<u>(37,296)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	<i>11</i>		
– From continuing and discontinued operations			
Basic		<u>(4.79)</u>	<u>(2.29)</u>
Diluted		<u>(4.79)</u>	<u>(2.29)</u>
– From continuing operations			
Basic		<u>(4.79)</u>	<u>(2.40)</u>
Diluted		<u>(4.79)</u>	<u>(2.40)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	<u>(80,813)</u>	<u>(37,296)</u>
Other comprehensive (expense)/income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on equity investments at fair value through other comprehensive income ("FVTOCI")	(21,788)	(11,623)
Share of other comprehensive expense of associates	(3,548)	(1,639)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation to presentation currency	(5,735)	(7,004)
Translation reserve reclassified to profit or loss upon deemed disposal of an associate/subsidiaries	303	6,871
Share of other comprehensive expense of an associate	<u>(481)</u>	<u>–</u>
Other comprehensive expense for the year, net of tax	<u>(31,249)</u>	<u>(13,395)</u>
Total comprehensive expense for the year	<u><u>(112,062)</u></u>	<u><u>(50,691)</u></u>
Total comprehensive (expense)/income for the year attributable to:		
Owners of the Company	(112,062)	(50,962)
Non-controlling interests	<u>–</u>	<u>271</u>
	<u><u>(112,062)</u></u>	<u><u>(50,691)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		53,864	54,659
Investment properties		110,695	135,768
Goodwill		10,543	25,556
Interests in associates		91,442	127,141
Equity investments at FVTOCI	<i>13</i>	54,497	61,000
Loan receivables	<i>15</i>	2,762	–
Deposits paid	<i>17</i>	450	–
		<u>324,253</u>	<u>404,124</u>
Current assets			
Inventories		20,285	19,401
Loan receivables	<i>15</i>	5,983	10,000
Trade receivables	<i>16</i>	9,303	14,989
Other receivables, deposits and prepayments	<i>17</i>	16,092	20,977
Financial assets at fair value through profit or loss (“FVTPL”)	<i>14</i>	3,244	4,008
Deposits placed with non-bank financial institutions		–	2
Tax recoverable		81	917
Cash and cash equivalents		13,215	28,413
		<u>68,203</u>	<u>98,707</u>

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>18</i>	24,354	30,841
Lease liabilities		2,003	–
Tax payables		19,032	19,047
Borrowings	<i>19</i>	2,767	–
		<u>48,156</u>	<u>49,888</u>
Net current assets		<u>20,047</u>	<u>48,819</u>
Total assets less current liabilities		<u>344,300</u>	<u>454,943</u>
Non-current liabilities			
Deposits received		246	–
Lease liabilities		3,173	–
		<u>3,419</u>	<u>–</u>
Net assets		<u>340,881</u>	<u>452,943</u>
Capital and reserves			
Share capital	<i>20</i>	168,730	168,730
Reserves		172,151	284,213
Total equity		<u>340,881</u>	<u>452,943</u>

Notes:

1. GENERAL INFORMATION

The Company is a public limited company 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 “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section on the annual report.

During the year, the principal activities of the Group were sale of daily necessities, medical, health and hygiene products, manufacturing and sale of food products and nutrient enhancers, the trading of equity securities, investment in properties, investment holdings, money lending business, and provision of finance lease and related consulting services in the People’s Republic of China (“PRC”).

Items included in the financial statements of each of Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “Functional Currency”). The Functional Currency of operating subsidiaries in Hong Kong and the PRC are Hong Kong Dollars (“HK\$”) and Renminbi (“RMB”), respectively. The consolidated financial statements are presented in HK\$ as the Directors consider that it is a more appropriate presentation for a company listed on the Stock Exchange and for the convenience of the shareholders of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 16	Amendments in relation to Lease Liability in a Sale and Leaseback
HKFRS 7 and Hong Kong Accounting Standard (“HKAS”) 7	Amendments in relation to Supplier Finance Arrangements
HKAS 1	Amendments in relation to Classification of Liabilities as Current or Non-current
HKAS 1	Amendments in relation to Non-current Liabilities with Covenants
HK-int 5	Amendments in relation to Amendments to HKAS 1

The application of the amendments to HKFRSs 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 these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKAS 21	Amendments in relation to Lack of Exchange ability ¹
HKFRS 7 and 9	Amendments in relation to Classification and Measurement of Financial Instruments ²
HKFRS 7 and 9	Amendments in relation to Contracts Referencing Nature – dependent Electrically ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
HKFRS 10 and HKAS 28	Amendments in relation to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Annual Improvement to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

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

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of these new and amendments to HKFRSs 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 HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments and investment properties which have been measured at fair value.

On 1 August 2024, the Director, who held the board seat in 北京恒嘉國際融資租賃有限公司 (Beijing Ever Grand International Financial Leasing Co. Limited) (“BJEG”), was no longer served for and acting for the Group (“the Event”). The Group lost its seat on the board of directors of BJEG, resulting in the loss of its ability to exercise significant influence over BJEG in accordance with HKAS 28, and thus BJEG ceased to be an associate of the Group. The Group has therefore discontinued the use of the equity method under HKAS 28 accounting for its investment in BJEG. Henceforth, the Group’s investment in BJEG has been accounted for as equity investments at FVTOCI since 1 August 2024.

4. REVENUE

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

	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Asset management advisory service fee income	–	1,942
Sale of		
– food products and nutrient enhancers	6,397	2,910
– Daily necessities, medical, health and hygiene products	88,360	42,948
	<u>94,757</u>	<u>47,800</u>
Interest under effective interest method		
Interest income from		
– finance lease receivables	–	2,595
– loan receivables	–	1,019
	<u>–</u>	<u>3,614</u>
Leases		
Rental income	<u>6,220</u>	<u>5,825</u>
Total revenue	<u>100,977</u>	<u>57,239</u>
Representing		
Continuing operations	100,977	52,702
Discontinued operation	<u>–</u>	<u>4,537</u>
	<u>100,977</u>	<u>57,239</u>

The revenue from contracts with customers within HKFRS 15 is disaggregated as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Geographical information:		
The PRC	6,397	4,852
Hong Kong	88,360	42,948
	<hr/>	<hr/>
Revenue from contracts with customers	94,757	47,800
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition:		
At a point in time	94,757	45,858
Over time	–	1,942
	<hr/>	<hr/>
Revenue from contracts with customers	94,757	47,800
	<hr/> <hr/>	<hr/> <hr/>

Performance obligation for contracts with customers:

- (i) Revenue for the provision of asset management advisory services is recognised over time on time apportionment basis as those services are provided throughout the contract period at fixed consideration. Invoices are issued according to the agreed payment schedule and are usually payable within 0-5 days.
- (ii) Revenue for the sale of food products and nutrient enhancers and sales of daily necessities, medical, health and hygiene products is recognised at a point in time when customers obtain control of the goods at the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the products. There is generally only one performance obligation. Invoices are usually payable within 0-60 days.

5. SEGMENT INFORMATION

Information reported to the executive Directors, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

The segment information reported below does not include any amounts for the discontinued operation. During 2023, the definition of Financial Leasing Segment was modified to only encompass the share of associates’ results conducted by the BJEG Group for the period from 1 August 2023 (i.e. the date immediately after the deconsolidation) to 31 December 2023.

During 2024, the BJEG Group remained as an associate of the Group for the first seven-month period ended 31 July 2024 until it was reclassified to equity investments at FVTOCI due to the Event. Accordingly, the Financial Leasing Segment only covered its results for the first seven-month period of 2024.

Specifically, the Group's reportable and operating segments from continuing operations under HKFRS 8 Operating segments are as follows:

- Distribution – sale of medical, health, hygiene products and daily necessities (“Distribution Segment”)
- Manufacturing – research and development, manufacturing and sale of food products, new food ingredients and nutritional enhancers in the PRC (“Manufacturing Segment”)
- Investment – investment properties in the PRC, investments in securities and money lending business in Hong Kong (“Investment Segment”)
- Financial leasing – provision of finance lease consulting services and financing services in the PRC through investment in an associate (“Financial Leasing Segment”)

Segment revenues and results

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

For the year ended 31 December

	Continuing operations									
	Distribution		Manufacturing		Investment		Finance leasing		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										
At a point in time	88,360	42,948	6,397	2,910	-	-	-	-	94,757	45,858
From other source	-	-	-	-	6,220	6,844	-	-	6,220	6,844
	88,360	42,948	6,397	2,910	6,220	6,844	-	-	100,977	52,702
SEGMENT RESULTS	(19,279)	(4,960)	(4,679)	(4,569)	(20,451)	(8,524)	(14,338)	2,441	(58,747)	(15,612)
Unallocated other income, gains and losses									(85)	66
Unallocated corporate expenses									(19,901)	(25,798)
Share of results of associates									(2,061)	457
Loss before taxation									(80,794)	(40,887)

All of the segment revenues reported above are from external customers.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit earned or loss incurred by each segment without allocation of certain other income, certain other gains and losses (not stated in other segment information below), share of results of associates (except for BJEG Group) and corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

At 31 December

	Distribution		Manufacturing		Investment		Finance leasing		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 ASSETS	<u>46,567</u>	<u>64,857</u>	<u>46,376</u>	<u>54,527</u>	<u>188,012</u>	<u>210,918</u>	<u>-</u>	<u>30,090</u>	<u>280,955</u>	<u>360,392</u>
Interests in associates									<u>91,442</u>	<u>97,051</u>
Unallocated corporate assets									<u>20,059</u>	<u>45,388</u>
CONSOLIDATED ASSETS									<u>392,456</u>	<u>502,831</u>
SEGMENT LIABILITIES	<u>7,315</u>	<u>5,478</u>	<u>5,946</u>	<u>3,398</u>	<u>7,349</u>	<u>10,463</u>	<u>-</u>	<u>-</u>	<u>20,610</u>	<u>19,339</u>
Unallocated corporate liabilities									<u>30,965</u>	<u>30,549</u>
CONSOLIDATED LIABILITIES									<u>51,575</u>	<u>49,888</u>

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

- all assets are allocated to reportable and operating segments other than an office premise for administrative purpose, certain other receivables, certain deposits placed in non-bank financial institutions and certain cash and cash equivalents; and
- all liabilities are allocated to reportable and operating segments other than certain other payables and certain tax payables.

Other segment information

For the year ended 31 December

	Continuing operations									
	Distribution		Manufacturing		Investment		Finance leasing		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
Amounts charged/(credited) in the measure of segment profit or loss or segment assets:										
Additions to property, plant and equipment	6,213	-	4,242	1,663	-	-	-	-	10,455	1,663
Depreciation of property, plant and equipment	1,044	-	1,316	3,793	1,922	1,310	-	-	4,282	5,103
Write-off of property, plant and equipment	-	-	-	-	175	-	-	-	175	-
Write-off of inventories	4	-	483	-	-	-	-	-	487	-
Write-off of trade receivables	835	490	-	-	-	-	-	-	835	490
Fair value change on:										
- financial assets at FVTPL	-	-	-	-	764	3,723	-	-	764	3,723
- investment properties	-	-	-	-	21,030	7,973	-	-	21,030	7,973
Loss on deemed disposal of associates	-	-	-	-	-	691	3,375	-	3,375	691
Impairment loss on goodwill	15,013	-	-	-	-	-	-	-	15,013	-
Impairment loss recognised on trade receivables and other receivables	2,823	2,276	-	34	755	-	-	-	3,578	2,310
	2,823	2,276	-	34	755	-	-	-	3,578	2,310
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:										
Income tax (credit)/expense	(3)	(547)	-	68	-	-	-	-	(3)	(479)
	(3)	(547)	-	68	-	-	-	-	(3)	(479)

6. OTHER INCOME, GAINS AND LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income		
Interest income from:		
– bank and non-bank financial institutions	116	1,656
– other loan receivables	–	323
Sundry income	<u>50</u>	<u>1,724</u>
	<u>166</u>	<u>3,703</u>
Representing		
Continuing operations	166	1,826
Discontinued operation	<u>–</u>	<u>1,877</u>
	<u>166</u>	<u>3,703</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other gains and (losses)		
Fair value change on:		
– financial assets at FVTPL	(764)	2,951
– investment properties	(21,030)	(7,973)
Gain on disposal of property, plant and equipment	1,159	–
Write-off of property, plant and equipment	(175)	–
Loss on deemed disposal of associates	(3,375)	(691)
Write-off of trade receivables	(835)	(490)
Net foreign exchange loss	(128)	(31)
Write-off of inventories	<u>(487)</u>	<u>–</u>
	<u>(25,635)</u>	<u>(6,234)</u>
Representing		
Continuing operations	(25,635)	(12,908)
Discontinued operation	<u>–</u>	<u>6,674</u>
	<u>(25,635)</u>	<u>(6,234)</u>

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Reversal of impairment loss/(impairment loss) recognised on:		
– Trade receivables (<i>Note 16</i>)	(226)	283
– Other receivable (<i>Note 17</i>)	(2,597)	(3,859)
– Loan receivables (<i>Note 15</i>)	(755)	–
– Finance lease receivables	–	6,338
	<u>–</u>	<u>6,338</u>
	<u>(3,578)</u>	<u>2,762</u>
Representing		
Continuing operations	(3,578)	(2,310)
Discontinued operation	–	5,072
	<u>–</u>	<u>5,072</u>
	<u>(3,578)</u>	<u>2,762</u>

8. FINANCE COST

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	183	–
Interest on bank borrowing	79	–
Interest on other loan	113	–
	<u>375</u>	<u>–</u>
	<u>375</u>	<u>–</u>
Representing		
Continuing operations	375	–
Discontinued operation	–	39
	<u>–</u>	<u>39</u>
	<u>375</u>	<u>39</u>

9. TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	–	81
PRC Enterprise Income Tax	<u>22</u>	<u>155</u>
	22	236
Over provision in prior years:		
Hong Kong Profits Tax	(3)	(628)
Deferred tax credit	<u>–</u>	<u>(88)</u>
Income tax expense/(credit) for the year	<u><u>19</u></u>	<u><u>(480)</u></u>
Representing		
Continuing operations	19	(479)
Discontinued operation	<u>–</u>	<u>(1)</u>
	<u><u>19</u></u>	<u><u>(480)</u></u>

Under the two-tiered profits tax rates regime of Hong Kong Profits tax, the first HK\$2 million of the estimated assessable profits of a qualifying corporation will be taxed at 8.25%, and the estimated assessable profits above HK\$2 million will be taxed at 16.5%. The two-tiered profits tax rates regime was applicable to the Group for the years ended 31 December 2024 and 2023. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

PRC Enterprise Income Tax (“EIT”) is calculated at the applicable rates based on estimated taxable income earned by the PRC subsidiaries of the Group with certain tax concession, based on existing legislation, interpretation and practice in respect thereof. Under the Law of the PRC on Enterprises Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group’s PRC subsidiaries is 25% for both years.

10. LOSS FOR THE YEAR FROM CONTINUING OPERATIONS

Loss for the year from continuing operations has been arrived at after charging the following items:

	2024	2023
	HK\$'000	HK\$'000
Auditor's remuneration	930	1,250
Depreciation of property, plant and equipment	260	602
Depreciation of right-of-use assets	4,022	4,501
Total depreciation	4,282	5,103
Cost of inventories sold (included in cost of revenue)	79,658	34,933
Staff costs:		
Directors' and chief executive's emoluments	9,423	12,531
Other staff costs		
– Salaries and other benefits	11,764	10,972
– Discretionary bonus	161	34
– Retirement benefits scheme contributions	682	972
Total staff costs	22,030	24,509

11. LOSS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(Loss)/profit		
(Loss)/profit for the year attributable to owners of the Company	(80,813)	(38,601)
– from continuing operations	(80,813)	(40,408)
– from discontinued operation	<u>–</u>	<u>1,807</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Number of shares		
Number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<u>1,687,303</u>	<u>1,687,303</u>

Basic loss per share from the discontinued operation is HK\$Nil per share (2023: basic earnings per share of HK\$0.11 cents), based on the profit for the year from discontinued operation attributable to the owners of the Company of approximately HK\$Nil (2023: HK\$1,807,000) and the denominators used are the same as those detailed above.

The Company has no dilutive potential ordinary shares in issue during the current and prior year and, therefore, the diluted (loss)/earnings per share is the same as basic (loss)/earnings per share for the years ended 31 December 2024 and 2023.

12. DIVIDENDS

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

13. EQUITY INVESTMENTS AT FVTOCI

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Unlisted investments:		
– Equity securities	<u>54,497</u>	<u>61,000</u>

The above unlisted equity investments represent investments in unlisted equity securities issued by private entities established in Hong Kong and the PRC. In the opinion of the Directors, they were designated as equity investments at FVTOCI as the investments are held for long term strategic purposes and not expected to be realised within one year from the end of the year.

14. FINANCIAL ASSETS AT FVTPL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Listed equity and debt securities:		
– Hong Kong	<u>3,244</u>	<u>4,008</u>

15. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loan receivables (<i>Note</i>)	9,500	10,000
Less: Impairment allowance	<u>(755)</u>	<u>–</u>
	<u>8,745</u>	<u>10,000</u>
Analysed for reporting purposes as:		
Non-current assets	2,762	–
Current assets	<u>5,983</u>	<u>10,000</u>
	<u>8,745</u>	<u>10,000</u>

Note:

As at 31 December 2023, such loan receivables carried a fixed interest rate of 10% per annum with the maturity date of April 2024 and were guaranteed by their shareholders.

During 2024, the Group and the borrowers entered into the supplemental agreement whereby the borrowers and its guarantors agreed to repay the principal amount by installment on or before March 2026. A fixed interest rate of 10% per annum will be charged once the repayment terms have been breached. Up to the date of this announcement, an additional repayment of HK\$3,000,000 has been received after the reporting period.

The movements in impairment allowance of loan receivables are as follows:

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year		–	154,906
Amounts recognised during the year, net	7	755	–
Deemed disposal of subsidiaries		–	(149,727)
Exchange realignment		<u>–</u>	<u>(5,179)</u>
Balance at end of the year		<u>755</u>	<u>–</u>

16. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables from trading business	9,760	15,456
Less: Impairment allowance	<u>(457)</u>	<u>(467)</u>
	<u>9,303</u>	<u>14,989</u>

The credit period granted to customers ranged from 0 to 60 days.

An ageing analysis of trade receivables net of impairment allowance as at the end of the reporting period, based on the invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	4,786	7,365
31-90 days	2,499	3,685
91-270 days	1,334	3,214
Over 270 days	<u>684</u>	<u>725</u>
	<u>9,303</u>	<u>14,989</u>

The movements in impairment allowance on trade receivables are as follows:

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year		467	752
Amounts recognised/(reversed) during the year, net	7	226	(283)
Amounts written-off during the year		(235)	(2)
Exchange difference		<u>(1)</u>	<u>–</u>
Balance at end of the year		<u>457</u>	<u>467</u>

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other receivables (<i>Note</i>)	12,589	15,079
Prepayments	1,552	1,354
Prepayments for purchases of goods	6,949	6,906
Deposits	<u>642</u>	<u>231</u>
	21,732	23,570
<i>Less:</i> Impairment allowance	<u>(5,190)</u>	<u>(2,593)</u>
Total other receivables, deposits and prepayments	<u><u>16,542</u></u>	<u><u>20,977</u></u>
Analysed for reporting purposes:		
Non-current assets	450	–
Current assets	<u>16,092</u>	<u>20,977</u>
	<u><u>16,542</u></u>	<u><u>20,977</u></u>

Note:

Included in other receivables as of 31 December 2024 represented an other receivable before provision for impairment loss of HK\$9,794,000 (2023: HK\$12,804,000) from an independent supplier of the Distribution Segment. The balance initially arose from prepayments made for supplies of goods which the supplier was unable to deliver. In March 2023, the Group and the supplier entered into a deed of settlement whereby the supplier agreed and its sole owner guaranteed to repay the outstanding balance in next twelve months. In March 2024, a Director provided the personal guarantee to it in favour of the Group. The statutory demand letters have been served to the supplier and its sole owner and will take further legal actions if necessary. As at 31 December 2024, provision for impairment loss on such other receivable of HK\$5,190,000 (2023: HK\$2,593,000) was made.

The movements in impairment allowance on other receivables and deposits are as follows:

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year		2,593	8,305
Amounts recognised during the year	7	2,597	3,859
Amounts written-off during the year		–	(50)
Amounts derecognised upon the deconsolidation		–	(9,212)
Exchange realignment		<u>–</u>	<u>(309)</u>
Balance at end of the year		<u><u>5,190</u></u>	<u><u>2,593</u></u>

18. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	2,383	4,697
Accruals	8,050	9,079
Receipt in advance (<i>Note a</i>)	6,658	10,456
Other payables (<i>Note b</i>)	<u>7,263</u>	<u>6,609</u>
	<u>24,354</u>	<u>30,841</u>

Notes:

- (a) As at 31 December 2024, the balance mainly represents rental payment of HK\$6,575,000 (2023: HK\$10,010,000) received in advance from a leasee for a three-year lease as stated in the agreement.
- (b) Included in other payables as at 31 December 2024 represented the amount due to an invested entity of HK\$2,346,000 (2023: HK\$2,311,000) which is unsecured, carries a fixed interest rate of 4.762% per annum and repayable on demand.

Included in trade and other payables are trade creditors with the following ageing analysis, based on invoice dates, as at the end of reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0-30 days	705	4,109
31-90 days	1,031	95
91-270 days	136	440
Over 270 days	<u>511</u>	<u>53</u>
	<u>2,383</u>	<u>4,697</u>

19. BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Current and Unsecured		
Bank borrowing (<i>Note</i>)	<u>2,767</u>	<u>–</u>

Note:

The bank borrowing as at 31 December 2024 was bearing at floating interest rates ranged from 3.57% to 3.92% (2023: Nil) per annum and was denominated in RMB.

20. SHARE CAPITAL

	Number of ordinary shares of HK\$0.1 each '000	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>4,000,000</u>	<u>400,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.1 each		
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,687,303</u>	<u>168,730</u>

21. LITIGATION

With reference to the Company's announcements dated 13 September 2024 and 20 December 2024, during the year, the Group has received a civil complaint from the PRC Court filed by BJEG against the Group in respect of, among others, unpaid registered capital of US\$22,610,000 by the Group. Based on a preliminary legal assessment from a PRC legal adviser, the Board is of the view that there is a credible legal basis to resolve the claims. In order to safeguard the interests of the Group, a legal case has also been filed with the PRC Court requesting the Court to order the judicial dissolution of BJEG.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2024 (“2024”), the Group’s revenue from continuing operations increased by 91.6% to HK\$101.0 million as compared to that of HK\$52.7 million for the year ended 31 December 2023 (“2023”). The Group’s gross profit from continuing operations increased by 20.0% to HK\$21.3 million in 2024 as compared to that of HK\$17.8 million in 2023 and net loss from continuing operations increased by 100.0% to HK\$80.8 million in 2024 as compared to that of HK\$40.4 million in 2023.

The Group operated four segments during the year: Distribution Segment, Manufacturing Segment, Investment Segment and Financial Leasing Segment in the PRC and Hong Kong.

Distribution Segment

Distribution Segment includes production, wholesale, distribution and trading of daily necessities, medical products, health products and hygiene products in Hong Kong. Its revenue increased by 105.7% to HK\$88.4 million in 2024 as compared to that of HK\$42.9 million in 2023. Such increase was mainly due to the fact that (i) sales of health and wellness products under our own brand increased; and (ii) sale of traditional Chinese medical products was driven by stabilised supply from the manufacturer. This segment recorded a net loss of HK\$19.3 million in 2024, representing an increase of 288.7% as compared to that of HK\$5.0 million in 2023. The loss increase was mainly due to an impairment loss on goodwill of HK\$15.0 million recognised in 2024. The goodwill impairment loss was primarily driven by a decline in the averaged profit margins projected in the approved five-year financial forecasts for 2024 (2024: 6.6%; 2023: 12.7%). This decline reflects the impact of rising operating costs – such as those associated with the sales of health products – and slower-than-anticipated market growth influenced by shifting consumer preferences, intensified competition, and broader economic factors. These challenges reduced the recoverable amount as determined by the value-in-use assessment, resulting in a deficit when compared to the carrying value of the relevant cash-generating unit (CGU).

Manufacturing Segment

Manufacturing Segment includes manufacturing and sale of food products and nutrient enhancers such as meal replacements partly made of *Chlamydomonas Reinhardtii* and other nutrient enhancers. A brand-new production line of healthy food products launched in the fourth quarter of 2024. During 2024, it recorded revenue of HK\$6.4 million (2023: HK\$2.9 million) and a net loss of HK\$4.7 million (2023: HK\$4.6 million). The increase in its revenue was mainly due to broaden product diversity and customer base.

Investment Segment

Revenue from the Investment Segment decreased by 9.7% to HK\$6.2 million in 2024 as compared to that of HK\$6.8 million in 2023. This segment recorded a net loss of HK\$20.5 million in 2024 as compared to that of HK\$8.5 million in 2023. Such increase in loss of HK\$11.9 million was mainly due to the fair value loss on PRC investment properties of HK\$21.0 million in 2024 (2023: HK\$8.0 million).

Financial Leasing Segment

In 2024, the BJEG Group, responsible for the Financial Leasing Segment, continued as an associate of the Group for the first seven-month period ended 31 July 2024, following its deconsolidation on 31 July 2023. However, it was subsequently reclassified as equity investments at FVTOCI due to the Event on 1 August 2024. Accordingly, the Financial Leasing Segment only reflected its results for the first seven-month period of 2024, whereas it covered the period from 1 August 2023 to 31 December 2023 in the comparative figures for last year. This segment recorded a net loss of HK\$14.3 million in 2024 as compared to profit of HK\$2.4 million in 2023. The loss from the associate in 2024 was mainly arising from interest costs from finance lease and the fair value loss on financial assets at FVTPL.

After taking into account of the corporate and other expenses and finance costs of HK\$19.9 million in 2024 (2023: HK\$25.8 million), a loss arising from share of results of associates (excluding the associate under Financial Leasing Segment) in 2024 of HK\$2.1 million (2023: profit of HK\$0.5 million), a net loss from certain unallocated other income, gains and losses of HK\$85,000 in 2024 (2023: the net gain of HK\$66,000), income tax expense of HK\$19,000 in 2024 (2023: credit of HK\$0.5 million), the Group recorded a net loss from continuing operations attributable to the owners of the Company of HK\$80.8 million (2023: HK\$40.4 million) and a net loss from continuing and discontinued operations of HK\$80.8 million in 2024 (2023: HK\$37.3 million). The increase in net loss from continuing operations was mainly due to significant increase in fair value loss on investment properties in the PRC, the poor operating performance of associates in 2024 compared with 2023 and the impairment loss on goodwill recognised in 2024 whereas no such impairment in 2023.

Revenue and gross profit

The Group's revenue from continuing operations increased by 91.6% to HK\$101.0 million in 2024 as compared to that of HK\$52.7 million in 2023. The revenue from the sale of daily necessities, medical products, health products and hygiene products increased by 105.7% to HK\$88.4 million in 2024 as compared to that of HK\$42.9 million in 2023. Such increase was mainly due to the increase in sales of a traditional Chinese medical product and the own brand healthcare products. Sales of food products and nutrient enhancers increased by 119.8% to HK\$6.4 million in 2024 as compared to that of HK\$2.9 million in 2023. Rental income from investment properties in the PRC was increased by 6.8% to HK\$6.2 million in 2024 as compared to that of HK\$5.8 million in 2023.

The Group's gross profit from continuing operations increased by 20.0% to HK\$21.3 million in 2024 as compared to that of HK\$17.8 million in 2023. The gross profit margin, however, was dropped from 33.7% in 2023 to 21.1% in 2024, because of increase in sale of products with lower gross profit margin.

Other income

Other income from continuing operations of HK\$166,000 in 2024 (2023: HK\$1.8 million) was mainly from interest income from fixed bank deposits.

Other gains and losses

Other gains and losses from continuing operations in 2024 were a net loss of HK\$25.6 million (2023: HK\$12.9 million), mainly comprising of the fair value loss on investment properties of HK\$21.0 million (2023: HK\$8.0 million), a gain on the disposal of Shanghai property of HK\$1.1 million and a loss on deemed disposal of associates of HK\$3.4 million (2023: HK\$0.7 million).

Administrative expenses and other operating expenses

The Group's administrative and other operating expenses from continuing operations decreased by 7.3% to HK\$44.7 million in 2024 as compared to that of HK\$48.2 million in 2023. These mainly included staff costs (including directors' and chief executive's emoluments) from continuing operations of HK\$22.0 million (2023: HK\$24.5 million), legal and professional fees, depreciation of property, plant and equipment and various administrative expenses.

Share of associates' results

The share of results of associates amounted to a loss of HK\$13.0 million in 2024 as compared with a profit of HK\$2.9 million in 2023. The Group shared a loss of BJEG of HK\$11.0 million (2023: profit of HK\$2.4 million), a loss of Top Insight Limited of HK\$2.2 million (2023: profit of HK\$0.9 million) and a profit of Simagi Finance Company Limited of HK\$118,000 (2023: loss of HK\$0.5 million) in 2024.

Investment in BJEG Group was reclassified as equity investments at FVTOCI on 1 August 2024 due to loss of significant influence over BJEG on that date. For more details, please refer to note 3 to the consolidated financial statements.

Income taxation

Income tax expense from continuing operations in 2024 was HK\$19,000 (2023: credit of HK\$479,000), mainly comprising of provision for current tax of HK\$22,000 in the PRC and over-provision for tax in 2023 of HK\$3,000 in Hong Kong.

Discontinued operation

The results of BJEG Group were classified as discontinued operation upon deconsolidation and presented as a single line item in the consolidated statement of profit or loss for 2023. Net profit from discontinued operation amounted to HK\$3.1 million in 2023.

FINANCIAL POSITION

The total assets of the Group as at 31 December 2024 amounted to HK\$392.5 million, representing a decrease of HK\$110.3 million or 22.0% as compared with HK\$502.8 million as at 31 December 2023. The decrease in total assets was mainly due to the fact that the fair value loss on investment properties in the PRC, the poor operating performance of associates and an impairment loss on goodwill in 2024. The total liabilities of the Group as at 31 December 2024 amounted to HK\$51.6 million, representing an increase of HK\$1.7 million or 3.4% as compared with HK\$49.9 million as at 31 December 2023. There was no material change in total liabilities in 2024.

The gearing ratios (which is calculated from total liabilities over total assets) slightly increased from 9.9% as at 31 December 2023 to 13.1% as at 31 December 2024. The current ratios (which is calculated from total current assets over total current liabilities) decreased from 2.0 as at 31 December 2023 to 1.4 as at 31 December 2024.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had cash and cash equivalents and deposits placed with non-bank financial institutions totalling of approximately HK\$13.2 million (31 December 2023: HK\$28.4 million). As at 31 December 2024, the Group had the short-term bank borrowing amounting to HK\$2.8 million (31 December 2023: Nil).

For the year under review, the Group has financed its operations with facilities provided by banks and other non-bank financial institutions and internally generated cash flows.

FOREIGN EXCHANGE EXPOSURE

In the both reporting periods, the Group had no material exposure to fluctuation in exchange rates in foreign currency as material transactions such as revenue and cost of revenue were denominated in local currencies in which the relevant entities operated. The Group did not enter into any foreign exchange hedging transactions or instruments during both years.

CREDIT EXPOSURE

The Group's major credit risk is primarily attributable to loan receivables. It is mostly derived from money lending services, namely the loan financing services carried out by TF Advances Limited in Hong Kong.

Details of business model and internal control procedures of the financing business are presented in the 2024 annual report.

TOP FIVE BORROWERS AND ECL OF LOAN FINANCING (“LOAN”)

The following table sets out the top five borrowers of the Group (only two borrowers as at 31 December 2024 and 2023) and the respective principal terms and the details of ECL of Loan:

	Type of receivable	Interest rate, term, maturity and securities obtained	As at 31 December			
			2024		2023	
			Principal amount <i>HK\$'000</i>	Percentage to total gross principal amount	Principal amount <i>HK\$'000</i>	Percentage to total gross principal amount
Gross:						
Customer 1	Loan	10% per annum, maturity in March 2026 and guaranteed by its shareholders	5,000	52.6%	5,000	50.0%
Customer 2	Loan	10% per annum, maturity in March 2026 and guaranteed by its shareholders	4,500	47.4%	5,000	50.0%
Total gross principal amount			<u>9,500</u>	<u>100.0%</u>	<u>10,000</u>	<u>100.0%</u>
			Provision amount <i>HK\$'000</i>	Percentage to total provision	Provision amount <i>HK\$'000</i>	Percentage to total provision
<i>Less: Provision for impairment losses under ECL (Note)</i>			<u>755</u>	<u>7.95%</u>	<u>–</u>	<u>0%</u>
Total net amount			<u><u>8,745</u></u>		<u><u>10,000</u></u>	

Basis of Assessment of ECL

ECL assessment on receivables are performed individually based on probability-weighted expected credit losses of multiple possible events (“PWECL”) model adopted in accordance with HKFRS 9, which involves 5 key parameters, namely (i) exposure at default (“EAD”); (ii) probability of default (“PD”); (iii) loss given default (“LGD”) or 100% minus recovery rate upon default (“Recovery Rate”); (iv) forward-looking factor; and (v) discount factor. The depth of PWECL model depends on the year end status of recoverability of each receivables which are classified into 3 stages from the lowest stage 1 to the highest stage 3 summarised as below. References are made to the Company’s announcement dated 3 September 2021 for capital terms used and further details.

Type of stage	Year end status of recoverability	Length of assessment
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts, or debtor frequently repays after due dates but usually settle after due date	12-month ECL
Stage 2	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL-not credit-impaired
Stage 3	There is evidence indicating the asset is credit-impaired	Lifetime ECL-credit-impaired

Note:

As at 31 December 2024, the ECL calculation is based on EAD of HK\$9.5 million (2023: HK\$10 million) under stage 2, PD of 1.04%-5% (2023: 1.07%), LGD of 61.5%-61.8% (2023: 19.83%-22.08%), forward-looking factor of 54.1%-55.34% (2023: 63.15%) or Recovery Rate of 0.35%-1.71% (2023: 0.13%-0.15%) and discount factor of 1. ECL of HK\$755,000 (2023: Nil) was provided by the Group during the year.

CHARGE OF ASSETS

As at 31 December 2024, there was no charge on the asset (2023: Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no significant contingent liabilities (2023: Nil).

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital commitments of HK\$134,000 (2023: HK\$1.1 million) for the acquisition of property, plant and equipment.

PROSPECT

The Group primarily focuses on its operations in the PRC and Hong Kong, making the economic, political, and social aspects of these jurisdictions crucial to its overall performance. As of 2025, Hong Kong's economy faces significant challenges, including weak domestic consumption and a sluggish property market. However, the local stock market has shown signs of recovery, and the unemployment rate remains stable at around 3%. These mixed signals highlight the need for cautious optimism in navigating the local economic landscape.

Similarly, the PRC continues to grapple with weak domestic consumption and a persistently sluggish property market, although exports remain a promising driver of growth. The Sino-US geopolitical tensions and global protectionism pose substantial risks to China's economy. In response, the Chinese government has introduced various supportive measures, such as subsidies for replacing old electronic appliances and loosening fiscal policies, to counteract external threats, stimulate domestic demand and nurturing the high-end technology sector. These present thrilling opportunities amidst the uncertainties and the market turbulence.

The Distribution Segment aims to increase volume by diversifying products, expanding distribution channels, and broadening its customer base across various territories.

As to the Manufacturing Segment, the Group has successfully established and is now steadily operating a new production line for healthy instant noodles. These noodles incorporate *Chlamydomonas Reinhardtii* Nutrition Powder as a key ingredient. The powder is rich in essential plant-based protein, dietary fiber, vitamins, omega-3 fatty acid, polycarbohydrate and some indispensable minerals that humans may not absorb enough through diets such as Selenium and iron. It brings significant health values to customers who are concerned about blood sugar, blood pressure, lipid levels, cardiovascular and cerebrovascular health, as well as immunity issues. Moreover, it can aid in addressing common concerns such as bad low bowel, constipation, dry eyes, etc. The segment has been carefully expanding its distribution channels and enhancing market exposure for its proprietary brand of healthy noodles. Additionally, it has been actively working to diversify its range of nutrient enhancers that demonstrate resilience, even in a challenging economic climate. Part of the products will be sold through our own platform in the Distribution Segment.

In the Investment Segment, the Group adheres to a conservative strategy for its portfolio, which includes equity, debt, and real estate. With the robust risk management and control policies, the Group will closely assess its performance and optimise its composition. In light of the current property market in the PRC, the Group may offload some of real estate properties in the PRC in order to replenish the required liquidity of the Group and address the increasing market risk of the properties.

Regarding the Financial Leasing Segment, now reclassified as equity investments at FVTOCI as of 31 December 2024, the Group will continue to actively explore potential solutions to amicably and effectively address the loss of control over BJEG and the litigation against the Group concerning the overdue capital injection. Having initiated multiple litigations against BJEG and its management, who are closely linked to another shareholder, the Group will continue to work closely with its PRC legal counsel to assess and implement legal strategies aimed at safeguarding and asserting shareholders' rights in BJEG.

The Group remains committed to optimizing its business segments to enhance volume and profitability, with a pledge to further reduce costs. We may consider withdrawing from the loss-making projects, offloading certain properties and relocating the resources to the growing and promising segments. The Group will cautiously and diligently explore new potential growth opportunities, undervalued assets and business expansion opportunities in order to diversify the income sources, bring in profits and ultimately attain long and sustainable growth and enhance shareholders' value as a whole.

SIGNIFICANT INVESTMENTS AND MATERIAL DISPOSALS

As at 31 December 2024, the Group held the following significant investments with a value of 5% or more of the Group's total assets:

Investment I

Nature:	Equity investments at FVTOCI
Name of company:	Imagi Brokerage Limited
Principal businesses:	provision of brokerage securities dealing service, securities margin financing and asset management services. Imagi Brokerage holds Type 1, 2, 4, 5 and 9 regulated activities licensed by the SFC
Number of shares held:	55,500,000 (9.69%)
Investment cost:	HK\$74.3 million
Fair value as at 31 December 2024:	HK\$23.0 million (2023: HK\$49.2 million)
Size relative to the Group's total assets as at 31 December 2024:	5.9% (2023: 9.8%)
Performance during 2024:	fair value loss of HK\$26.2 million (2023: HK\$5.7 million)
Investment strategy:	bring returns to the Group by dividends and capital growth

Investment II

Nature:	Investment property held under medium-term lease
Address:	6 Units 3-storey industrial building located in 188 Xinjunhuan Road, Minhang District, Shanghai, the PRC
Principal use:	letting out for rental income
Investment cost:	RMB55.2 million
Fair value as at 31 December 2024:	HK\$46.8 million (2023: HK\$56.1 million)
Size relative to the Group's total assets as at 31 December 2024:	11.9% (2023: 11.2%)
Performance during 2024:	Rental income of HK\$3.7 million (2023: HK\$2.5 million) and fair value loss of HK\$13.3 million (2023: HK\$2.8 million)
Investment strategy:	bring returns to the Group by rental income and capital growth

Investment III

Nature:	Investment property held under medium-term lease
Address:	an industrial development complex with 4 industrial buildings located in Taoci Industrial Zone, Qigong Community, Wan Shou Street, Jianping County, Chaoyang City, Liaoning Province, the PRC
Principal use:	letting out for rental income
Investment cost:	RMB56.9 million
Fair value as at 31 December 2024:	HK\$63.9 million (2023: HK\$79.6 million)
Size relative to the Group's total assets as at 31 December 2024:	16.3% (2023: 15.8%)
Performance during 2024:	Rental income of HK\$2.3 million (2023: HK\$3.3 million) and fair value loss of HK\$7.7 million (2023: HK\$5.1 million)
Investment strategy:	bring returns to the Group by rental income and capital growth

Investment IV

Nature:	Interests in associates
Name of company:	Top Insight Holding Limited
Principal businesses:	Investment holding whose subsidiaries are engaged in investment property holding businesses
Number of shares held:	365 (34.7%)
Investment cost:	HK\$64.9 million
Fair value as at 31 December 2024:	HK\$75.9 million (2023: HK\$78.1 million) (assume that the carrying amount approximates to its fair value)
Size relative to the Group's total assets as at 31 December 2024:	19.3% (2023: 15.5%)
Performance during 2024:	Share of loss of HK\$2.2 million (2023: profit of HK\$0.9 million)
Investment strategy:	bring returns to the Group by sharing profits and capital growth

Save as disclosed elsewhere on this announcement, there were no material acquisitions or disposals of subsidiaries and associated companies during 2024.

EMPLOYEE AND REMUNERATION

As at 31 December 2024, the Group had approximately 59 (2023: 62) employees (excluding employees of the Company's associates) in Hong Kong and the PRC. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance. The Group offers induction trainings to new employees and gives regular trainings to existing employees for updating their skills and knowledge.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere on this announcement, the Group did not have any significant events after the reporting period.

CLOSURE OF REGISTER OF MEMBER

For the purposes of ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 10 June 2025 to 13 June 2025 (both days inclusive), during such period no transfer of shares of the Company will be effected. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m., 9 June 2025.

CORPORATE GOVERNANCE PRACTICE

The Company had complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix C1 of the Listing Rules of the Stock Exchange throughout the year ended 31 December 2024, except the following deviations:

Code Provision C.2.1

The roles of the chairman and chief executive should be separate and should not be performed by the same individual. Under the current management structure of the Company, Mr. Wong Lik Ping (“Mr. Wong”) is the chairman of the Board (the “Chairman”) and chief executive officer of the Company (the “CEO”). Upon the resignation of former CEO, Mr. Lai Ka Fai on 31 July 2023, Mr. Wong took up the function of CEO while the Company has been in the course of nominating suitable candidates for the vacancy of CEO. In addition, under the supervision of the Board which is comprised of four executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders as a whole. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in this circumstance and will be addressed in the future.

Code Provision E.1.2

The remuneration committee’s terms of reference should include reviewing and making recommendations to the board on the issuer’s policy and structure for senior management remuneration and the remuneration packages of senior management. The terms of reference of the remuneration committee of the Company exclude review of and making recommendations to the Board in relation to senior management remuneration, as in the Board’s opinion, it was more appropriate for the executive Directors to perform these duties.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as set out in Appendix C3 of the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Following a specific enquiry, all Directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024.

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

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

AUDIT COMMITTEE REVIEW

The Company has an audit committee which was established in accordance with the requirements of the CG code, for the purposes of reviewing and providing supervision over the financial reporting process, risk management and internal controls of the Group. The audit committee comprises 3 independent non-executive Directors. The audit committee has adopted terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2024 have been reviewed and approved by the audit committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Company's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 on this announcement have been agreed by the auditors of the Company, Zhonghui Anda CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the same period. The work performed by Zhonghui Anda CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Zhonghui Anda CPA Limited on this preliminary announcement.

ANNUAL REPORT

The 2024 Annual Report containing all the information required by the Listing Rules of the Stock Exchange will be dispatched to the shareholders of the Company in due course.

By order of the Board of
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman and Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Siu Wai Bun, Mr. Tao Ke and Mr. Ng Tin Shui as Executive Directors; (2) Ms. Yip Man Yi as Non-Executive Director; and (3) Mr. Ng Kwok Sang, Mr. Wu Kai Tang and Mr. Leung Yiu Ming, David as Independent Non-Executive Directors.