NEWAY GROUP HOLDINGS LIMITED
中星集團控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 00055)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Neway Group Holdings Limited ("**Neway**" or the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**", "**our Group**", "**we**" or "**us**") for the year ended 31 December 2024 (the "**Year**"), together with the comparative figures for the year ended 31 December 2023 ("**Year 2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	NOTE	***HK$***	*HK$*
Revenue			
Revenue from goods and services		**467,945,752**	540,232,497
Rental income		**7,615,773**	2,783,890
Interest income from lending business		**4,982,330**	5,672,580
Total revenue	*4*	**480,543,855**	548,688,967
Cost of sales and services		**(383,318,032)**	(460,341,448)

* *For identification purpose only*

	NOTES	2024 HK$	2023 HK$
Gross profit		**97,225,823**	88,347,519
Other interest income	*6*	**6,458,256**	6,000,913
Other income	*6*	**6,065,307**	3,412,917
Selling and distribution expenses		**(30,268,191)**	(36,795,432)
Administrative and other expenses		**(117,607,165)**	(121,691,637)
Other gains and losses		**(24,959,872)**	(7,116,401)
Impairment losses under expected credit loss ("**ECL**") model on financial assets and contract assets, net	*6*	**(2,644,564)**	(345,629)
Finance costs		**(6,784,776)**	(6,525,347)
Share of results of joint ventures		**–**	(3,750)
Loss before taxation		**(72,515,182)**	(74,716,847)
Taxation charge	*5*	**(4,586,291)**	(7,355,103)
Loss for the year	*6*	**(77,101,473)**	(82,071,950)
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(10,910,885)**	(12,150,897)
Items that will not be reclassified to profit or loss:			
Surplus on transfer from property, plant and equipment to investment properties		**–**	38,512,183
Deferred tax arising from transfer of property, plant and equipment to investment properties		**–**	(9,628,046)
Fair value loss on equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**(9,000,000)**	–
		(19,910,885)	16,733,240
Total comprehensive expense for the year		**(97,012,358)**	(65,338,710)

	NOTE	2024	2023
	NOTE	***HK$***	*HK$*
Loss for the year attributable to:			
Owners of the Company		**(76,993,312)**	(81,961,487)
Non-controlling interests		**(108,161)**	(110,463)
		(77,101,473)	(82,071,950)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(97,032,724)**	(65,334,885)
Non-controlling interests		**20,366**	(3,825)
		(97,012,358)	(65,338,710)
Loss per share	*8*		
Basic *(HK cents)*		**(30.39)**	(32.35)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	**2024** **HK$**	2023 HK$
Non-current assets			
Property, plant and equipment		**133,136,051**	154,585,377
Investment properties		**159,876,249**	162,019,272
Equity instruments at FVTOCI		**13,087,402**	22,193,495
Club membership		**3,403,700**	3,403,700
Prepayments and deposits	*9*	**5,401,409**	4,395,817
Interests in joint ventures and an associate		**389,632**	389,232
Loans receivable		**717,132**	17,933,940
Deposit paid for acquisition of property, plant and equipment		**1,891,155**	148,829
Deferred tax assets		**13,582,081**	12,661,692
		331,484,811	377,731,354
Current assets			
Inventories		**18,730,657**	25,134,618
Properties under development for sale/properties for sale		**310,158,055**	258,459,215
Financial assets at fair value through profit or loss ("**FVTPL**")		**9,488,068**	15,770,920
Trade and other receivables, prepayments and deposits	*9*	**170,792,932**	138,847,263
Contract assets		**23,979,931**	26,334,377
Loans receivable		**30,222,831**	29,810,691
Tax recoverable		**117,007**	–
Pledged bank deposits		**63,728,570**	76,274,798
Short-term bank deposits		**60,063,824**	20,297,256
Cash and cash equivalents		**58,325,642**	99,493,689
		745,607,517	690,422,827

	NOTE	2024	2023
	NOTE	***HK$***	*HK$*
Current liabilities			
Trade and other payables and accruals	*10*	**194,334,488**	124,685,719
Lease liabilities		**11,596,254**	12,532,717
Contract liabilities		**20,519,084**	35,937,801
Tax liabilities		**7,688,515**	6,701,088
Amount due to a non-controlling shareholder of a subsidiary		**15,947,268**	16,499,835
Bank borrowings		**117,250,915**	70,338,782
		367,336,524	266,695,942
Net current assets		**378,270,993**	423,726,885
Total assets less current liabilities		**709,755,804**	801,458,239
Non-current liabilities			
Lease liabilities		**38,525,941**	40,840,321
Bank borrowings		**30,144,589**	23,209,768
Deferred tax liabilities		**15,295,545**	14,606,063
		83,966,075	78,656,152
Net assets		**625,789,729**	722,802,087
Capital and reserves			
Share capital		**2,533,595**	2,533,595
Reserves		**627,073,043**	724,105,767
Total attributable to owners of the Company		**629,606,638**	726,639,362
Non-controlling interests		**(3,816,909)**	(3,837,275)
Total equity		**625,789,729**	722,802,087

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to owners of the Company											
	Share capital	**Share premium**	**Deemed contribution from a shareholder**	**Capital redemption reserve**	**Contributed surplus**	**Properties valuation reserve**	**Investment revaluation reserve**	**Translation reserve**	**Retained profits (accumulated loss)**	**Sub-total**	**Non-controlling interests**	**Total**
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 January 2023	2,533,595	368,851,377	188,956,957	62,400	103,571,033	63,252,165	(22,985,932)	(1,795,042)	89,527,694	791,974,247	(3,833,450)	788,140,797
Loss for the year	–	–	–	–	–	–	–	–	(81,961,487)	(81,961,487)	(110,463)	(82,071,950)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(12,257,535)	–	(12,257,535)	106,638	(12,150,897)
Surplus on transfer from property, plant and equipment to investment properties	–	–	–	–	–	38,512,183	–	–	–	38,512,183	–	38,512,183
Deferred tax arising from transfer of property, plant and equipment to investment properties	–	–	–	–	–	(9,628,046)	–	–	–	(9,628,046)	–	(9,628,046)
Other comprehensive income (expense) for the year	–	–	–	–	–	28,884,137	–	(12,257,535)	–	16,626,602	106,638	16,733,240
Total comprehensive income (expense) for the year	–	–	–	–	–	28,884,137	–	(12,257,535)	(81,961,487)	(65,334,885)	(3,825)	(65,338,710)
At 31 December 2023	2,533,595	368,851,377	188,956,957	62,400	103,571,033	92,136,302	(22,985,932)	(14,052,577)	7,566,207	726,639,362	(3,837,275)	722,802,087
Loss for the year	–	–	–	–	–	–	–	–	(76,993,312)	(76,993,312)	(108,161)	(77,101,473)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	(11,039,412)	–	(11,039,412)	128,527	(10,910,885)
Fair value loss on equity instruments at FVTOCI	–	–	–	–	–	–	(9,000,000)	–	–	(9,000,000)	–	(9,000,000)
Other comprehensive (expense) income for the year	–	–	–	–	–	–	(9,000,000)	(11,039,412)	–	(20,039,412)	128,527	(19,910,885)
Total comprehensive (expense) income for the year	–	–	–	–	–	–	(9,000,000)	(11,039,412)	(76,993,312)	(97,032,724)	20,366	(97,012,358)
At 31 December 2024	2,533,595	368,851,377	188,956,957	62,400	103,571,033	92,136,302	(31,985,932)	(25,091,989)	(69,427,105)	629,606,638	(3,816,909)	625,789,729

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Neway Group Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company acts as an investment holding company.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

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:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-Dependent Electricity[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.

Except as described below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 "Financial Instruments: Disclosure".

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 statement of profit or loss and disclosures in the future financial statements. The Group is in the process assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold and services provided by the Group, less discounts and sales related taxes during the year.

4. SEGMENT INFORMATION

Segment revenue and results

Information reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's reportable and operating segments are therefore as follows:

(a) Money lending ("**Lending Business**");

(b) Manufacturing and sales of printing and other products ("**Manufacturing and Sales Business**");

(c) Artistes management, production and distribution of music albums as well as concert and event management and investment ("**Music and Entertainment Business**");

(d) Property development ("**Property Development Business**"), including properties development projects in the PRC and Hong Kong;

(e) Property investment ("**Property Investment Business**"), including properties leasing and investments in the PRC and Hong Kong;

(f) Securities trading ("**Securities Trading Business**"); and

(g) Trading of printing and other products ("**Trading Business**").

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

	Revenue		Segment (loss) profit	
	2024	2023	**2024**	2023
	HK$	*HK$*	***HK$***	*HK$*
Lending Business	**4,982,330**	5,672,580	**(778,921)**	3,069,979
Manufacturing and Sales Business	**365,060,228**	346,642,843	**(17,188,273)**	(50,753,897)
Music and Entertainment Business	**4,703,192**	3,985,706	**432,707**	(3,447,739)
Property Development Business	**71,428,074**	160,429,227	**(5,805,102)**	11,569,298
Property Investment Business	**7,615,773**	2,783,890	**(26,920,412)**	(12,825,280)
Securities Trading Business	**–**	–	**(5,616,215)**	(1,635,221)
Trading Business	**26,754,258**	29,174,721	**(2,210,082)**	(2,306,067)
Total	**480,543,855**	548,688,967	**(58,086,298)**	(56,328,927)
Bank interest income			**6,364,516**	5,979,534
Unallocated corporate expenses			**(20,793,400)**	(24,363,704)
Share of results of joint ventures			**–**	(3,750)
Loss before taxation			**(72,515,182)**	(74,716,847)

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss incurred/profit earned by each segment without allocation of bank interest income, unallocated corporate expenses and share of results of joint ventures. This is the measure reported to the Group's management for the purpose of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

As at 31 December 2024

	Lending Business HK$	Manufacturing and Sales Business HK$	Music and Entertainment Business HK$	Property Investment Business HK$	Property Development Business HK$	Securities Trading Business HK$	Trading Business HK$	Segment total HK$	Elimination HK$	Consolidated HK$
Segment assets	**30,976,881**	**307,574,809**	**6,016,485**	**160,525,257**	**336,291,517**	**9,831,726**	**9,418,916**	**860,635,591**	**–**	**860,635,591**
Other assets										**216,456,737**
Consolidated assets										**1,077,092,328**
Segment liabilities	**445,672**	**229,702,702**	**5,124,448**	**16,331,776**	**167,934,994**	**50,521**	**7,739,552**	**427,329,665**	**–**	**427,329,665**
Inter-group liabilities	**65,981,607**	**–**	**–**	**–**	**–**	**94,946,212**	**–**	**160,927,819**	**(160,927,819)**	**–**
Total	**66,427,279**	**229,702,702**	**5,124,448**	**16,331,776**	**167,934,994**	**94,996,733**	**7,739,552**	**588,257,484**	**(160,927,819)**	**427,329,665**
Other liabilities										**23,972,934**
Consolidated liabilities										**451,302,599**

As at 31 December 2023

	Lending Business HK$	Manufacturing and Sales Business HK$	Music and Entertainment Business HK$	Property Investment Business HK$	Property Development Business HK$	Securities Trading Business HK$	Trading Business HK$	Segment total HK$	Elimination HK$	Consolidated HK$
Segment assets	47,821,990	305,030,240	5,748,977	162,400,126	280,054,004	16,459,278	16,441,965	833,956,580	–	833,956,580
Other assets										234,197,601
Consolidated assets										1,068,154,181
Segment liabilities	486,913	180,619,885	5,463,033	17,703,680	108,142,553	56,200	10,320,926	322,793,190	–	322,793,190
Inter-group liabilities	117,375,854	–	–	–	–	103,458,835	–	220,834,689	(220,834,689)	–
Total	117,862,767	180,619,885	5,463,033	17,703,680	108,142,553	103,515,035	10,320,926	543,627,879	(220,834,689)	322,793,190
Other liabilities										22,558,904
Consolidated liabilities										345,352,094

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

- all assets are allocated to operating and reportable segments other than certain property and equipment, interest in a joint venture, equity instruments at FVTOCI, club membership, deferred tax assets, certain other receivables, prepayments and deposits, tax recoverable, short-term bank deposits and cash and cash equivalents.

- all liabilities are allocated to operating and reportable segments other than certain other payables and accruals, tax liabilities and deferred tax liabilities.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2024	2023
	HK$	*HK$*
Sales of printing products	**391,814,486**	375,817,564
Sales of properties	**71,428,074**	160,429,227
Income from the use of the musical works	**3,517,530**	2,469,281
Loan interest income from Lending Business	**4,982,330**	5,672,580
Concert and event management income	**201,209**	12,000
Rental income	**7,615,773**	2,783,890
Sales of albums	**984,453**	1,504,425
	480,543,855	548,688,967

Geographical information

The Group's operation of Manufacturing and Sales Business, Property Development Business and Property Investment Business are located in Hong Kong and the PRC, while the Group's operation of Lending Business, Trading Business, Music and Entertainment Business and Securities Trading Business are located in Hong Kong.

The Group's revenue from external customers and information about non-current assets by geographical location of the customers and assets respectively are set out below:

	Revenue from external customers		**Non-current assets**	
	2024	2023	**2024**	2023
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**143,809,916**	129,812,990	**73,227,421**	96,645,941
The PRC	**262,787,580**	353,542,293	**228,590,301**	227,021,403
Europe	**26,702,712**	13,481,744	**–**	–
United States	**40,485,371**	45,121,554	**–**	–
Others	**6,758,276**	6,730,386	**–**	–
	480,543,855	548,688,967	**301,817,722**	323,667,344

Note: Non-current assets exclude financial assets and deferred tax assets.

Information about major customers

There was no customer contributing over 10% of total revenue of the Group for the years ended 31 December 2024 and 2023.

5. TAXATION CHARGE

	2024	2023
	HK$	*HK$*
The taxation comprises:		
Hong Kong Profits Tax		
Charge for the year	**(152,613)**	(117,201)
Under provision in prior years	**(61,855)**	–
	(214,468)	(117,201)
PRC Land Appreciation Tax ("**LAT**")		
Charge for the year	**(2,288,455)**	(4,474,177)
PRC Enterprise Income Tax		
Charge for the year	**(2,282,256)**	(4,248,984)
Overprovision in prior years	**–**	494,862
	(2,282,256)	(3,754,122)
Deferred tax credit for the year	**198,888**	990,397
	(4,586,291)	(7,355,103)

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

For the years ended 31 December 2024 and 2023, Hong Kong Profits Tax is calculated at 8.25% on the first HK$2 million of the estimated assessable profits of one of the subsidiaries of the Company and at 16.5% on the estimated assessable profits above HK$2 million. The profits of corporation not qualified for the two-tier profit tax regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Under the Provisional Regulations of LAT and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures including borrowing costs, land costs and property development expenditures in relation to the gains arising from sales of properties in the PRC.

6. LOSS FOR THE YEAR

	2024	2023
	HK$	*HK$*
Loss for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
– Audit services	**2,475,000**	2,395,000
– Non-audit services	**359,400**	839,300
	2,834,400	3,234,300
Cost of inventories recognised as an expense (including write-down of inventories of HK$156,835 for the year ended 31 December 2024)	**173,404,231**	167,249,165
Depreciation of right-of-use assets	**13,426,151**	13,215,482
Depreciation of other property, plant and equipment	**18,617,950**	20,868,796
Depreciation of property, plant and equipment	**32,044,101**	34,084,278
Less: included in cost of sales and services	**(17,593,085)**	(18,324,012)
	14,451,016	15,760,266
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	**149,656,735**	162,026,334
– Contributions to retirement benefits schemes	**13,338,816**	12,143,621
Less: included in cost of sales and services	**(87,612,910)**	(95,122,975)
	75,382,641	79,046,980
Legal and professional fees	**5,724,788**	6,252,000
Gross rental income from investment properties	**(7,615,773)**	(2,783,890)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**681,892**	217,988
	(6,933,881)	(2,565,902)
Staff redundancy costs included in		
Cost of sales	**3,033,886**	4,887,400
Selling and distribution expenses	**441,417**	937,866
Administrative and other expenses	**2,073,787**	536,991
	5,549,090	6,362,257
The following items are included in (reversal of impairment losses) impairment losses under ECL model on financial assets and contract assets, net:		
– (Reversal of impairment losses) impairment losses on trade receivables, net	**(252,472)**	380,190
– (Reversal of impairment losses) impairment losses on contract assets, net	**(342,036)**	354,813
– Impairment losses (reversal of impairment losses) on loans receivable, net	**3,239,072**	(389,374)
	2,644,564	345,629

	2024	2023
	HK$	*HK$*
The following items are included in other interest income:		
– Bank interest income	**(6,364,516)**	(5,979,534)
– Interest income on rental deposits	**(93,740)**	(21,379)
	(6,458,256)	(6,000,913)
The following items are included in other income:		
– Dividend income	**(2,980,675)**	(641,519)
– Government grants *(Note)*	**(265,526)**	(485,455)
– Others	**(2,819,106)**	(2,285,943)
	(6,065,307)	(3,412,917)

Note: The government grants that are receivable represented a compensation for expenses incurred of HK$265,526 (2023: HK$485,455) during the year ended 31 December 2024.

7. DIVIDENDS

No dividend was paid or proposed for the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

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

Loss figures are calculated as follows:

	2024	2023
	HK$	*HK$*
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	**(76,993,312)**	(81,961,487)

	2024	2023
Weighted average number of ordinary shares in issue for the purpose of calculating basic loss per share	**253,359,456**	253,359,456

No separate diluted loss per share information has been presented as there were no potential ordinary shares outstanding issue for both years.

9. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024	2023
	HK$	*HK$*
Trade receivables	**130,552,224**	106,716,136
Less: allowance for credit losses	**(819,175)**	(1,089,825)
	129,733,049	105,626,311
Receivables with brokers' houses	**298,775**	667,524
Deposits and other receivables	**13,392,651**	8,405,959
Other tax recoverable	**22,900,569**	18,571,261
Prepayments	**9,869,297**	9,972,025
	176,194,341	143,243,080
Analysed for reporting purposes as:		
Current assets	**170,792,932**	138,847,263
Non-current assets	**5,401,409**	4,395,817
	176,194,341	143,243,080

As at 1 January 2023, trade receivables from contracts with customers amounted to HK$92,280,913.

The Group's credit terms for Manufacturing and Sales Business and Trading Business generally range from 60 to 90 days. Credit period of 120 days is granted to a few customers of the Manufacturing and Sales Business with whom the Group has a good business relationship and who are in sound financial condition. The Group allows an average credit period of 60 to 90 days to its customers of Music and Entertainment Business.

The following is an ageing analysis of the trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period.

	2024	2023
	HK$	*HK$*
Manufacturing and Sales Business and Trading Business:		
0 – 30 days	**68,655,691**	50,287,241
31 – 60 days	**29,490,609**	19,316,180
61 – 90 days	**15,206,973**	11,166,391
Over 90 days	**5,690,005**	6,589,418
	119,043,278	87,359,230
Music and Entertainment Business:		
0 – 30 days	**438,596**	404,674
31 – 60 days	**–**	1,921
61 – 90 days	**59**	–
Over 90 days	**8,880**	7,665
	447,535	414,260
Property Development Business:		
0 – 30 days	**9,323,836**	17,852,821
Property Investment Business:		
0 – 30 days	**131,200**	–
31 – 60 days	**131,200**	–
61 – 90 days	**131,200**	–
Over 90 days	**524,800**	–
	918,400	–
Total trade receivables	**129,733,049**	105,626,311

10. TRADE AND OTHER PAYABLES AND ACCRUALS

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2024	2023
	HK$	*HK$*
0 – 30 days	**46,846,458**	45,979,952
31 – 60 days	**4,393,241**	6,864,442
61 – 90 days	**1,645,440**	2,697,564
Over 90 days	**3,142,612**	1,989,695
	56,027,751	57,531,653
Construction cost payable for properties under development for sale aged 0 – 30 days	**1,528,300**	–
Total trade payables	**57,556,051**	57,531,653
Accrued construction costs for properties under development for sale	**102,351,266**	34,463,294
Accrued expenses and other payables	**34,427,171**	32,690,772
	194,334,488	124,685,719

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The multiple challenges and opportunities in the global economy have impacted the Group's businesses to varying extents. For the Manufacturing and Sales Business segment, the Group has offered more competitive pricing to its customers by enhancing the production and operational efficiency of its factories, which has led to an increase in the number of purchase orders for printing products from both overseas and domestic customers. Meanwhile, the downturn in the property development market in the PRC posed significant challenges to the Property Development Business segment of the Group. Through careful adjustments to the sales and marketing strategies of this segment, the Group successfully delivered new industrial buildings and dormitories and entered into new binding sales and purchase agreements with customers during the Year. Furthermore, the revenue of other business segments, such as the Property Investment Business and the Music and Entertainment Business, has also increased.

The business and financial review of each business segment is detailed below.

BUSINESS AND FINANCIAL REVIEW

Total Revenue and Gross Profit Margin

During the Year, total revenue of the Group was approximately HK$480.5 million (Year 2023: approximately HK$548.7 million) and the gross profit margin was approximately 20.2% (Year 2023: 16.1%). The contribution of each business segment to the total revenue of the Group is as follows:

	2024	**Approximate % to total revenue**	2023	Approximate % to total revenue
	HK$		*HK$*	
Lending Business	**4,982,330**	**1.0%**	5,672,580	1.0%
Manufacturing and Sales Business	**365,060,228**	**76.0%**	346,642,843	63.2%
Music and Entertainment Business	**4,703,192**	**1.0%**	3,985,706	0.7%
Property Development Business	**71,428,074**	**14.9%**	160,429,227	29.3%
Property Investment Business	**7,615,773**	**1.6%**	2,783,890	0.5%
Trading Business	**26,754,258**	**5.5%**	29,174,721	5.3%
Total revenue	**480,543,855**	**100%**	548,688,967	100%

Lending Business

The Lending Business mainly refer to the Group's money lending business in Hong Kong.

The Group's money lending business in Hong Kong is carried out by Grand Prospects Finance International Limited(華泰財務國際有限公司)("**Grand Prospects**"), a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

All loan applications from potential customers are reviewed and approved by the responsible officer in accordance with Grand Prospects' internal loan approval guidelines (the "**Internal Guidelines**"). To assess whether a loan application should be approved, the responsible officer will (i) collect and verify the required information and supporting documents including but not limited to identity documents, bank statements, business registration documents, organisational chart and financial statements, etc. from the potential customers; and (ii) assess the value and quality of the collaterals that the potential customers intend to provide, if any. Due diligence search on the borrowers and collaterals will also be conducted if necessary.

If the responsible officer intends to grant a loan upon the completion of the entire credit approval process, he/she will determine the terms of the loan in accordance with the Internal Guidelines and with reference to various factors including but not limited to the background and creditworthiness of the customers, the nature and value of the collateral provided, if any, the prevailing market interest rate and other relevant factors as the responsible officer deems appropriate. Thereafter, loan documents will be prepared accordingly and customers are required to provide signed and post-dated bank cheques in accordance with the repayment schedules set out in the loan documents.

In the event that the highest applicable percentage ratio (as defined under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) in respect of a grant of loan exceeds 5%, the loan application will be forwarded to the Board and a meeting of the Board will be convened to consider and, if thought fit, approve the same.

Periodic assessments will be conducted on the recoverability of the loans granted based on the creditworthiness of the customers, taking into account their history of default, if any, ability to make timely payment of interest during the tenure of the loans and the loan-to-collateral ratios, to ensure appropriate follow-up action be taken to avoid potential exposure to credit risks. Generally, a reminder letter will be issued to the customer in the event of default. Depending on the circumstances, if a loan is overdue for more than two months, Grand Prospects may consider taking legal actions.

As at 31 December 2024, there were a total number of 9 borrowers, which consisted of 2 corporate entities and 7 individuals and the aggregate carrying amount of the loans receivable was HK$20.4 million and HK$10.5 million respectively. All of the loans receivable were either secured by charge over properties located in Hong Kong, pledges of shares or personal guarantee.

The total amount of new loans granted during the Year was approximately HK$6.5 million (Year 2023: approximately HK$6.0 million) and the average loan interest rate of the Group's loan portfolio was approximately 16.1% per annum (Year 2023: approximately 18.0% per annum). During the Year, the interest income from loans decreased by approximately 12.2% to approximately HK$5.0 million (Year 2023: approximately HK$5.7 million) and the segment loss was approximately HK$779,000 (Year 2023: segment gain of approximately HK$3.1 million). The decrease in revenue and the segment loss were mainly due to (i) the decrease in loan portfolio during the Year; and (ii) the net impairment loss recognised on loans receivable of approximately HK$3.2 million (Year 2023: reversal of impairment loss of approximately HK$389,000).

As at 31 December 2024, the Group has taken legal actions against several borrowers of loans receivable with the principal amount of approximately HK$29.8 million, of which an impairment loss of approximately HK$26.8 million has been provided in previous financial years. The court judgements have been granted in respect of the loans receivable of approximately HK$27.2 million and no settlement has been made as at 31 December 2024. The Board will provide further update to the shareholders of the Company (the "**Shareholders**") as and when appropriate.

The Group has a concentration of credit risk as 53% (Year 2023: 53%) of the total loans receivable was due from two (Year 2023: three) independent third parties, totalling approximately HK$19.4 million (Year 2023: approximately HK$25.4 million). The gross carrying amount of loans receivable from the five largest borrowers was approximately HK$25.9 million (Year 2023: HK$32.8 million).

As at 31 December 2024, the loans receivable had contractual maturity within one to four years (Year 2023: within one to ten years), details of which are as follows:

	HK$
Within one year	30,222,831
Within a period of more than one year but not more than two years	487,692
Within a period of more than two years but not more than five years	229,440
	30,939,963

The estimated loss rates of loans receivable were based on historical credit loss experience of the customers as well as the fair value of the collaterals they pledged in relation to the loans receivable. For those loans receivable secured by charge over properties located in Hong Kong with an aggregate amount of approximately HK$16,074,963 (Year 2023: approximately HK$29,171,479), the loss given default was considered low by the Directors, given that the fair value of the collaterals are higher than the carrying amounts of the respective loans receivable. The Group has not recognised any loss allowance for such loans receivable as a result of these collaterals. For the remaining loans receivable with an aggregate gross carrying amount of HK$18,645,000 (Year 2023: HK$19,114,080), the Group has recognised a net impairment loss of approximately HK$3,239,000 on these loans receivable after having considered the continuous non-repayment from the debtors during the Year.

Manufacturing and Sales Business

This segment represented the manufacturing and sales of printing products, such as packaging boxes, labels, paper products and paper shopping bags, with a worldwide customer base.

The segment revenue increased by approximately 5.3% to approximately HK$365.1 million for the Year (Year 2023: approximately HK$346.6 million), which was mainly attributable to the increase in sales orders of packaging and label products from both overseas and domestic clients. The increase in sales orders was mainly due to the fact that (i) the Group has secured a number of new customers which placed a higher number of sales orders during the Year; (ii) more competitive pricing has been offered to customers by enhancing the production and operational efficiency of the factories; and (iii) some of our customers launched their new products during the Year, which were postponed from Year 2023.

The segment loss margin of the Manufacturing and Sales Business for the Year was approximately 4.7% (Year 2023: approximately 14.6%). The decrease in segment loss margin was mainly attributable to the following factors:

(i) the gross profit margin increased by 7.1% to approximately 18.5% for the Year (Year 2023: approximately 11.4%), which was mainly due to (a) the decrease in material consumption rate of approximately 3.2% as compared with that of Year 2023; (b) the decrease in total manufacturing staff costs and other related expenses by approximately 3.5% as compared with that of Year 2023 due to various cost saving plans adopted in late Year 2023 and throughout the Year; and

(ii) the decrease in selling and administrative staff costs and other related expenses by approximately 4.2% as compared with that of Year 2023 due to various cost saving plans adopted in mid-Year 2024;

(iii) the gain on disposal of fixed assets of approximately HK$1.9 million (Year 2023: loss on disposal of approximately HK$397,000); and

(iv) the reversal of net expected credit loss recognized during the Year of approximately HK$524,000 (Year 2023: net expected credit loss of approximately HK$727,000).

Music and Entertainment Business

Revenue from this segment mainly consisted of income from concerts and shows, album distribution income, promotion income and musical work licensing income.

The revenue of the segment increased by approximately 18.0% to approximately HK$4.7 million (Year 2023: approximately HK$4.0 million) and the segment profit for the Year was approximately HK$433,000 (Year 2023: segment loss of approximately HK$3.4 million). The increase in revenue was mainly attributable to the increase in the musical work licensing income and income generated from organizing events. Approximately 75% of the segment revenue was derived from the musical work licensing income from online music platforms with low associated operating costs incurred, resulting in an improvement in this segment.

Property Development Business

The Group had two property development projects as at 31 December 2024 (31 December 2023: two). During the Year, one project involved 清遠市中清房地產開發有限公司 (unofficial English name: Qingyuan Zhongqing Property Development Company Limited) ("**Zhongqing**"), a non-wholly owned subsidiary of the Company, and the other involved 中大印刷(清遠)有限公司 (unofficial English name: Zhongda Printing (Qingyuan) Company Limited) ("**Zhongda Qingyuan**"), a wholly-owned subsidiary of the Company.

Zhongqing

Zhongqing held the land use right of two commercial land parcels in Qingyuan, the PRC ("**Qingyuan Land**"). On 18 June 2014, 深圳市中星國盛投資發展有限公司 (unofficial English name: Shenzhen Zhongxing Guosheng Investment Development Company Limited) ("**Zhongxing Guosheng**"), a wholly-owned subsidiary of the Company, initiated civil proceedings against Zhongqing before the People's Court of Baoan District, Shenzhen (the "**Court**") for, among other matters, the repayment of the shareholder's loan contributed by Zhongxing Guosheng in an amount of RMB23,479,330 (the "**Litigation**"). On 19 June 2014, pursuant to the application made by Zhongxing Guosheng for freezing and preserving the assets of Zhongqing with a total value of RMB23,400,000, an order was granted by the Court to freeze and preserve the Qingyuan Land from 24 June 2014 to 23 June 2016 (the "**Freeze Order**"), aiming to ensure that Zhongqing would have sufficient assets for the repayment of the shareholder's loan to the Group.

Two hearing sessions of the Litigation were held on 18 August 2014 and 25 September 2014, respectively. On 15 October 2014, the Group received a civil mediation document dated 30 September 2014 (the "**Document**") from the Court, acknowledging that: (i) the Group and Zhongqing confirmed that Zhongqing was indebted to Zhongxing Guosheng in a sum of RMB23,479,330; (ii) Zhongqing agreed to repay Zhongxing Guosheng a sum of RMB23,479,330, together with interests accrued from 18 June 2014 to the date of repayment which was supposed to be within 15 days of the effective date of the Document; and (iii) where Zhongqing failed to repay the agreed amount, Zhongxing Guosheng would be entitled to request Zhongqing to pay default interests calculated at two times of the lending rate of the People's Bank of China over the same period.

As advised by the Group's legal advisers in the PRC, the effective date of the Document was 15 October 2014 and the deadline for repayment by Zhongqing was 30 October 2014 accordingly. As at 30 October 2014, Zhongqing had not repaid the outstanding shareholder's loan and accrued interests to Zhongxing Guosheng.

On 27 May 2016, Zhongxing Guosheng submitted an application to the Court for the extension of the term of the Freeze Order and the application was accepted. The extended term of the Freeze Order started on 13 June 2016 and ended on 12 June 2019. The term of the Freeze Order was further extended to 12 May 2022 by the Court on 15 May 2019 and was further extended to 12 May 2025 on 14 April 2022.

In 2022, the Group commenced the compulsory enforcement proceedings against Zhongqing to put the Qingyuan Land for sales in the auction (the "**Compulsory Enforcement**"). Further details of the Compulsory Enforcement were disclosed in the circular of the Company dated 24 June 2022. The Shareholders passed the resolution to approve the Compulsory Enforcement at the special general meeting of the Company held on 15 July 2022. The Group submitted the application to the Court to commence the Compulsory Enforcement in July 2022 and all internal verification procedures were completed by the Court in Year 2023. However, due to the downturn of the property development market in the PRC since late Year 2023, the Company decided to suspend for the time being further action after careful consideration. The Company will closely monitor the market situation of property market in the PRC and will commence the auction if considered appropriate. The Company will provide further update to the Shareholders as and when appropriate.

Zhongda Qingyuan

The Group, through Zhongda Qingyuan, owns a land parcel in Qingyuan City, the PRC, with a total area of approximately 208,000 square metres ("**sq.m.**") and is developing an industrial park (the "**Zhongxing Industrial Park**") with an array of industrial buildings, commercial buildings, apartments and dormitories. The buildings thereon are intended for lease or sales. The development plan was approved by the Guangdong Qingyuan High-Tech Industrial Development Zone Management Committee Office in March 2020 and was highly supported by the Qingyuan Government.

Construction status:

As at 31 December 2024, the total construction area of the Zhongxing Industrial Park was approximately 183,000 sq.m., of which approximately 70% of the construction work was completed and examined or being examined by an independent construction company engaged by Zhongda Qingyuan. The Group expected that an additional of approximately 10% of the construction work will be completed in year 2025. The total construction area of approximately 183,000 sq.m. as mentioned above represents around 44% of the estimated total developable area of the Zhongxing Industrial Park.

Sales status:

During the Year, Zhongda Qingyuan has delivered several industrial buildings and several units of dormitory to purchasers and revenue of HK$71.4 million was recognized during the Year. Up to the financial year ended 31 December 2024, Zhongda Qingyuan has delivered a total gross floor area of approximately 83,000 sq.m. to purchasers which represented approximately 20% of the estimated total developable areas of the Zhongxing Industrial Park. More industrial buildings and dormitories are expected to be delivered to the purchasers upon the completion of the relevant construction works and examination procedures in year 2025.

During the Year, Zhongda Qingyuan entered into several rental agreements with independent third parties for a total gross floor area of approximately 3,700 sq.m, comprising living quarters and shops within the dormitory. These areas, which were designated for leasing purpose, have been reclassified as investment properties in accordance with the Group's accounting policies, with further details disclosed under the section "Property Investment Business" below.

Zhongda Qinyuan has entered into several cooperation agreements with several banks in the PRC, pursuant to which Zhongda Qingyuan has agreed to provide transitional guarantees in respect of the repayment obligations of the purchasers under the mortgage loans which may be granted by these banks to the purchasers for the acquisition of the industrial buildings in the Zhongxing Industrial Park. Zhongda Qingyuan's guarantee obligation under the transitional guarantees shall be released upon the completion of the relevant mortgage registrations over the properties and/or the receipt of the relevant registration proofs by the banks. It is a usual commercial practice in the real estate industry in the PRC that property developers shall provide transitional guarantees in favour of the mortgage banks for the purchasers of properties which are still under development if the purchasers will settle the purchase price of the properties partly by mortgage loans.

During the Year, several property ownership certificates of industrial buildings have been issued by the local government and the relevant mortgage registrations over the properties have been completed by banks and those transitional guarantees have been released. As at 31 December 2024, the Group had contingent liabilities of approximately HK$18.0 million (Year 2023: approximately HK$133.9 million) relating to the transitional guarantees given by Zhongda Qingyuan in favour of the mortgage banks while the related property ownership certificates have not yet been issued.

The segment loss was mainly attributable to the decrease in revenue for the Year, which was due to the poor economic conditions in the PRC, causing more purchasers to postpone their expansion or relocation plans for their factories.

Property Investment Business

During the Year, the Property Investment Business included the leasing of several commercial units, industrial building and dormitories in Hong Kong and the PRC.

This business involved four properties of the Group as at 31 December 2024 (31 December 2023: three). The first one was a commercial property situated in Yuen Long, Hong Kong (the "**Yuen Long Property**") which has been leased to a connected person (having the meaning ascribed to it under the Listing Rules) since 1 August 2023 to operate a karaoke outlet. The second one was a commercial property situated in Beijing, the PRC (the "**Beijing Property**") which was leased to an independent third party. The third one was a block of industrial building of the Group's self-owned factory situated in Shenzhen, the PRC (the "**Shenzhen Property**"), which has been leased to an independent third party since December 2023. The fourth one were the properties in the Zhongxing Industrial Park.

During the Year, Zhongda Qingyuan entered into several rental agreements with independent third parties to lease certain living quarters and shops within the dormitory in the Zhongxing Industrial Park. The areas being leased for longer term or under negotiation have been reclassified to investment properties from properties for sale as at 31 December 2024.

The total rental income arising from the leasing of these properties was approximately HK$7.6 million (Year 2023: approximately HK$2.8 million). The increase in revenue of this segment was mainly driven by the Shenzhen Property which was newly leased out in late 2023 with revenue recognised for the Year.

According to the Group's accounting standards, the investment properties of the Group were carried at market value. A fair value loss of approximately HK$22.2 million was recorded in "Other gains and losses" of the Group during the Year (Year 2023: fair value loss of approximately HK$6.1 million) which primarily attributed to the segment loss of this business. The fair value loss for the Year mainly arose from the Yuen Long Property. The decrease in fair value of the Yuen Long Property was mainly due to the lowered market value and rental value of adjacent locations.

Trading Business

Revenue from the Trading Business decreased to approximately HK$26.8 million (Year 2023: approximately HK$29.2 million) mainly due to the decrease in revenue derived from Hong Kong customers during the Year. The segment loss recorded a slight decrease from Year 2023 and amounted to approximately HK$2.2 million for the Year (Year 2023: approximately HK$2.3 million). The decrease in segment loss was mainly attributable to the decrease in operating expenses by approximately 14% as compared with Year 2023 as a result of the adoption of cost saving plans.

Securities Trading and Equity Investments Business

The Group's equity instruments at fair value through other comprehensive income ("**FVTOCI**") and financial assets at fair value through profit or loss ("**FVTPL**") as at 31 December 2024 amounted to approximately HK$22.6 million (31 December 2023: approximately HK$38.0 million). During the Year, the Group recorded a segment loss of approximately HK$5.6 million for this business which was mainly attributable to a fair value loss in investments of securities listed in Hong Kong of approximately HK$5.2 million (Year 2023: approximately HK$1.6 million), which was recorded in "Other gains and losses". A realized loss of approximately HK$74,000 was recorded for the Year (Year 2023: nil).

The Group's investments as at 31 December 2024 included investment in securities of 9 companies listed on the Main Board or GEM of the Stock Exchange, an offshore investment fund, two Hong Kong private companies and a PRC private company. The carrying amount of each of the Group's investments accounted for less than 5% of the Group's audited total assets as at 31 December 2024. The top five largest investments amounted to approximately HK$28.4 million, representing approximately 1.8% of the Group's audited total assets as at 31 December 2024.

The largest investment was the investment in an offshore investment fund named Zhong Wei Capital L.P. ("**Zhong Wei**"), which represented 1.33% of the total share capital of Zhong Wei. Zhong Wei has invested in more than 15 entities including public and private entities incorporated in Hong Kong, the PRC, Indonesia and Singapore. These entities are principally engaged in, including but not limited to, intelligence technology, energy, healthcare, recreational and financial technological sectors. The fair value of the investment in Zhong Wei as at 31 December 2024 amounted to approximately HK$8.5 million, representing approximately 0.8% of the Group's audited total assets as at 31 December 2024. A fair value loss of approximately HK$9 million has been recognised for the Year in other comprehensive income and accumulated in "Investment revaluation reserve".

During the Year, the Group has received an investment income of approximately HK$3 million which was payable in cash and equity shares listed in Hong Kong and overseas from Zhong Wei which was recorded in "Other income" of the Group.

The second to fifth largest investments were the investment in Wang On Group Limited (a company listed on the Main Board of the Stock Exchange with stock code 01222), a private company incorporated in the PRC principally engaged in trading of medical skincare equipment and entertainment business in the PRC, Wang On Properties Limited (a company listed on the Main Board of the Stock Exchange with stock code 01243) and China Agri-Products Exchange Limited (a company listed on the Main Board of the Stock Exchange with stock code 00149).

The Group will carefully study the market and the information related to prospective investees before dealing in any securities, and will closely monitor the performance of the investments upon subscription and adjust its investment strategy in a cautious manner as and when necessary to minimize the impact of market volatility.

OTHER GAINS AND LOSSES

Other gains and losses for the Year mainly comprised the following items:

	2024	2023
	HK$	*HK$*
Change in fair value of financial assets at FVTPL *(Note a)*	**(5,185,687)**	(1,604,208)
Change in fair value of investment properties *(Note b)*	**(22,241,318)**	(6,125,444)
Net foreign exchange gain	**578,315**	1,010,013
Net gain (loss) on disposal of property, plant and equipment	**1,888,818**	(396,762)
Total	**(24,959,872)**	(7,116,401)

Notes:

(a) The change in fair value of financial assets at FVTPL consisted of the fair value loss of securities traded in the Stock Exchange of approximately HK$5.2 million (Year 2023: approximately HK$1.6 million).

(b) The fair value loss of investment properties was mainly related to the Yuen Long Property. For the reason of such loss, please refer to the paragraphs headed "Property Investment Business" under the "Business and Financial Review" section above.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The following table sets out the Group's current ratio, quick ratio and gearing ratio as at 31 December 2024 and 31 December 2023:

	Notes	**As at 31 December 2024**	As at 31 December 2023
Current ratio	*(a)*	**2.0 times**	2.6 times
Quick ratio	*(b)*	**1.1 times**	1.5 times
Gearing ratio	*(c)*	**34.1%**	22.6%

Notes:

(a) Current ratio is calculated by dividing total current assets by total current liabilities as at the end of the respective year.

(b) Quick ratio is calculated by dividing total current assets less inventories and properties under development for sale/properties for sale by total current liabilities as at the end of the respective year.

(c) Gearing ratio is calculated by dividing total borrowings by total equity as at the end of the respective year and then multiplying it by 100%. Total borrowings as at 31 December 2024 include: (i) the amount due to a non-controlling shareholder of a subsidiary; (ii) bank borrowings; and (iii) lease liabilities.

As at 31 December 2024, the Group had short-term bank deposits, pledged bank deposits and cash and cash equivalents of approximately HK$182.1 million (31 December 2023: approximately HK$196.1 million) and total borrowings of approximately HK$213.4 million (31 December 2023: approximately HK$163.4 million).

The current ratio and quick ratio as at 31 December 2024 were lower as compared with the respective figures as at 31 December 2023, which was mainly attributable to (i) the increase in trade and other payables and accruals of approximately HK$69.6 million which included the accrued construction cost of the Property Development Business of approximately HK$102.4 million (31 December 2023: approximately HK$34.5 million) and (ii) the increase in bank borrowings of approximately HK$53.8 million in Hong Kong and the PRC.

The gearing ratio of the Group increased from 22.6% to 34.1% as at 31 December 2024, mainly due to the increase in total borrowings of the Group, the details of which are stated below.

The Group's total borrowings as at 31 December 2024 included: (i) an amount of approximately HK$15.9 million due to a non-controlling shareholder of a subsidiary (31 December 2023: approximately HK$16.5 million); (ii) secured bank borrowings of approximately HK$147.4 million (31 December 2023: approximately HK$93.5 million); and (iii) lease liabilities of approximately HK$50.1 million (31 December 2023: approximately HK$53.4 million).

As at 31 December 2024, secured bank borrowings included (i) an amount of approximately HK$31.5 million (31 December 2023: approximately HK$16.7 million) payable within six years and carrying interest at the Hong Kong Inter-bank Offered Rate plus 1.85% per annum; (ii) an amount of approximately HK$64.9 million (31 December 2023: approximately HK$51.6 million) payable within one year and carrying interest at the Hong Kong Inter-bank Offered Rate plus 1.25% to 2.5% (Year 2023: 1.25% to 2.25%) per annum; (iii) an aggregate amount of approximately HK$16.1 million (31 December 2023: Nil) payable within one year and carrying fixed interest in a range of 1.5% to 2% per annum; and (iv) an amount of approximately HK$34.9 million (31 December 2023: approximately HK$25.2 million) payable within three years and carrying interest at 5.98% per annum. The amount due to the non-controlling shareholder of a subsidiary was unsecured, interest-free and repayable on demand. The weighted average lessee's incremental borrowing rate applied in lease liabilities was 4.8% per annum (31 December 2023: 4.6% per annum).

All borrowings were denominated in Hong Kong dollars and RMB and the majority of cash and cash equivalents were denominated in RMB, Hong Kong dollars and U.S. dollars.

The Group generally finances its operation with cash flows generated internally and bank facilities obtained in Hong Kong and the PRC. Taking into account the amount of funds expected to be generated internally and the available bank facilities, the Group will have adequate resources to meet its future capital expenditure and working capital requirements. The Group will continue implementing a prudent policy in managing cash balances, thereby maintaining a strong and healthy liquidity level to capitalize on any potential business opportunity.

FUTURE OUTLOOK

Looking ahead to 2025, the Group is expected to face multiple adversities as the global market remains overshadowed by economic and political uncertainties. These challenges include prolonged political and economic tensions between the PRC and other countries, as well as the increase in trade tariffs across various nations, which further elevate production costs and negatively impact the demand for export goods. Additionally, these factors are likely to weaken the purchasing power of customers across all product categories, particularly in the Manufacturing and Sales Business and the Trading Business segments. To navigate this complex and ever-changing environment, the Group will carefully examine its strategies for all business segments and take cautious steps to diversify and expand its operations.

Lending Business

Due to the keen market competition, the Group will take calculated risks when expanding the loan portfolio of the Lending Business. The Group will continue to cooperate with other money lending companies to attract more new customers. Given the changing environment, the Group will continue to allocate more financial resources to identify new loan deals in a prudent way.

Manufacturing and Sales Business and Trading Business

In 2025, the Company's business is expected to face multiple challenges and opportunities, particularly in the Manufacturing and Sales Business. Intensified political and economic tensions between the PRC, the United States of America, and other countries may accelerate the relocation of production from the PRC to other nations. Additionally, the increase in trade tariffs across various countries is likely to further raise the prices of imported materials and goods, potentially reducing consumer purchasing power to varying degrees. These factors could adversely affect the Group's export sales of printing products.

In addition, competition among printing companies in the domestic market of the PRC is expected to intensify further. In response, the Group will strive to enhance its procurement capabilities and improve production efficiency to reduce overall production costs for this segment. The growing awareness of sustainability is anticipated to continue to create new business opportunities, prompting the Group to devote more resources in providing environmental-friendly printing solutions.

All the above factors will impact both the export and domestic sales of the Group's business to varying degrees. Consequently, the Group will carefully formulate its sales strategy to expand target market segments and allocate sufficient cash flows to address any sudden or prolonged adverse situations beyond its expectations. The Group will also continue to participate in more overseas and domestic trade fairs to connect with new customers in 2025. Additionally, the Group will upgrade its machinery to enhance production efficiency, reduce defect rates, and lower manpower costs in its production activities.

In addition, to address the challenges faced by the printing industry and improve the profitability of the business, the Group will intensify its efforts in the following areas: (i) enhancing efficiency and effectiveness by upgrading machinery and equipment, as well as streamlining the production processes in its factories to reduce operational and production wastage, thereby increasing the production capacity of the factories at lower costs; (ii) strengthening talent recruitment, providing value-added services, and continuously upgrading its technology infrastructure; (iii) procuring alternative materials, verifying their quality, and negotiating with suppliers for more favorable terms; and (iv) identifying cooperation opportunities in various countries to mitigate the impact of customs duties levied in the PRC and explore additional business opportunities to expand the customer base.

All the strategies adopted by the Group will further strengthen its core competencies and equip it to tackle unforeseen challenges in the coming years.

For the Trading Business, the Group will continue to allocate more resources to expand and develop the sales teams in Hong Kong, overseas and the PRC, so as to broaden the clientele, optimize the product mix and provide more value-added services to the existing and target customers.

Music and Entertainment Business

The Group will continue to allocate more resources to expand the musical works licensing business and show business in overseas and the Greater Bay Area of the PRC.

Property Development Business

For Zhongqing, as mentioned in the paragraphs headed "Property Development Business" under the "Business and Financial Review" section above, in view of the recent undesirable situation of the property market in the PRC, the Group will reassess the risk and profitability of the development of the Qingyuan Land and accordingly, devise its plan for the Compulsory Enforcement and its bidding strategy carefully. The Group will provide further update to the Shareholders as and when appropriate.

For Zhongda Qingyuan, the Group will continue to allocate additional resources to the sales and marketing activities of the Zhongxing Industrial Park, offering a wider range of sales options to attract potential customers and meet their purchasing needs. Meanwhile, the Group plans to introduce more retail shops and recreational facilities in the Zhongxing Industrial Park to enhance the quality and variety of services available to the people working there. Furthermore, depending on the sales progress of the existing unsold industrial buildings in the Zhongxing Industrial Park, the Group may commence construction on the remaining areas, if it deems appropriate.

Property Investment Business

As mentioned for the Property Development Business above, the Group will introduce more shops and recreational facilities in the Zhongxing Industrial Park. For Yuen Long Property, Beijing Property and Shenzhen Property, the Group will continue to rent to the existing tenants in the year 2025. The Group will continue to monitor the rental market condition in Hong Kong and the PRC and adjust its strategies, if necessary.

Securities Trading Business

The Group expects that the fair value of equity securities listed in Hong Kong may keep fluctuating in the foreseeable future due to the volatile global economy. In light of this, the Group will closely monitor the general market condition and market data related to prospective investees before committing to any securities investment, and will pay attention to the performance of the investments after purchasing as well as make necessary adjustment to the investment strategy in a cautious manner so as to alleviate the impact of extreme market swings.

FOREIGN EXCHANGE RISK

The Group's sales and purchases were mainly denominated in RMB, Hong Kong dollars and U.S. dollars. Except for RMB, there was no significant fluctuation in the exchange rate between Hong Kong dollars and U.S. dollars during the Year. The management will closely monitor the foreign exchange rate risk of RMB and identify significant adverse impact (if any) on the Group's operations in the PRC. The Group did not use any financial instrument for hedging purpose during the Year and it did not have any outstanding hedging instrument as at 31 December 2024. The Group will consider using appropriate hedging solutions when necessary.

CAPITAL EXPENDITURE

During the Year, capital expenditure of the Group for property, plant and equipment and properties under development for sales/properties for sale amounted to approximately HK$8.5 million (Year 2023: approximately HK$5.4 million) and approximately HK$148.6 million (Year 2023: HK$73.5 million) respectively. The capital expenditure for the Year was mainly attributable to the acquisition of machineries for production in the PRC and the construction work conducted in the Zhongxing Industrial Park.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had capital commitments of approximately HK$111.1 million (31 December 2023: approximately HK$150.4 million) which had been contracted for but had not been provided for in the financial statements for the acquisition of property, plant and equipment and construction work in the Zhongxing Industrial Park. The Group did not have any capital commitment for the acquisition of property, plant and equipment that had been authorised but not contracted for in both reporting periods. The Group expects to finance its capital commitments by internal resources and bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had contingent liabilities of approximately HK$18.0 million in respect of the transitional guarantees provided by Zhongda Qingyuan in favor of the mortgage banks for the purchasers of the industrial buildings of the Zhongxing Industrial Park (31 December 2023: approximately HK$133.9 million).

PLEDGE OF ASSETS

As at 31 December 2024, the Group had pledged bank deposits, investment properties and properties under development for sale/properties for sale with an aggregate carrying value of approximately HK$234.6 million (31 December 2023: approximately HK$386.8 million) to secure the construction loan of the Zhongxing Industrial Park, the mortgage loan of certain investment properties and general banking facilities granted to the Group. Save as aforesaid, no other assets were pledged by the Group as at 31 December 2024.

SHARE CAPITAL AND CAPITAL STRUCTURE

There was no change in the share capital and capital structure of the Company during the Year.

HUMAN RESOURCES

As at 31 December 2024, the Group had approximately 940 full-time employees (31 December 2023: approximately 1,000). Total staff costs (including Directors' remuneration) for the Year were approximately HK$163.0 million (Year 2023: approximately HK$174.2 million).

The remuneration schemes of the Group are generally structured with reference to market conditions and the qualifications of the employees, and the reward packages including discretionary bonus for staff members are generally reviewed on an annual basis according to the performance of the Group and respective staff members. Apart from salary payments and contributions to retirement benefit schemes, other staff benefits include participation in share option scheme and medical insurance for eligible employees. In-house and external training programmes are also provided as and when required.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURE DURING THE YEAR

On 8 March 2024, Luxury Field Limited ("**Luxury Field**"), a wholly-owned subsidiary of the Company, entered into a joint venture agreement with WEKA Holding B.V. ("**WEKA**"), Orientouch B.V., Mr. Chow Wah Kong, Moral Step Corporation Limited ("**Moral Step**") and Orientouch Showtimes (International) Limited (the "**JV Company**") in relation to the formation, operation and management of the JV Company. Luxury Field, WEKA and Moral Step hold 40%, 40% and 20% of the enlarged issued share capital of the JV Company respectively. The principal activity of the JV Company is to engage in concerts and shows promotor business and other entertainment business. Luxury Field, WEKA and Moral Step respectively agreed that subsequent to the completion of its respective share subscription in the JV Company, it shall, if resolved and demanded by the board of directors of the JV Company, make further capital contribution to the JV Company subject to a maximum amount of £340,000, £100,000 and £170,000 respectively. As at 31 December 2024 and as at the date of this announcement, no further capital contribution had been made by any of Luxury Field, WEKA and Moral Step. Further details of the formation of the JV Company were disclosed in the Company's announcement dated 8 March 2024 and the supplemental announcement dated 3 June 2024.

Save as disclosed above, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures during the Year.

EVENTS AFTER REPORTING PERIOD

There have been no significant events since the end of the Year and up to the date of this announcement.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (Year 2023: Nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Board is collectively responsible for performing the corporate governance duties. The Board recognises that good corporate governance practices are vital to the maintenance and promotion of shareholder value and investor confidence. In the opinion of the Board, the Company has complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules throughout the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with of all Directors, the Company has received confirmations from all Directors that they have complied with the required standards set out in the Model Code during the Year.

The Company has also adopted procedures on terms no less exacting than the Model Code in respect of the securities transactions by employees who are likely to be in possession of unpublished inside information of the Group.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Board (the "**Audit Committee**") comprises two independent non-executive Directors and one non-executive Director. The Audit Committee has reviewed with the management of the Group the accounting policies, discussed with the Board the auditing, internal control, risk management and financial reporting matters and reviewed the final results and the consolidated financial statements of the Group for the Year. In addition, the consolidated financial statements of the Group for the Year have been audited by the Group's auditor, Messrs. Deloitte Touche Tohmatsu and an unqualified opinion report is issued.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the Year as approved by the Board on 26 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.newaygroup.com.hk. The annual report of the Company for the Year will be available on the above websites in April 2025.

APPRECIATION

The Board would like to express its gratitude to all employees of the Group for their diligence and contribution. At the same time, the Board is also thankful for the support it has from all the Shareholders and the customers and suppliers of the Group.

On behalf of the Board
Neway Group Holdings Limited
Suek Ka Lun, Ernie
Chairman

Hong Kong, 26 March 2025

As at the date of this announcement, the Board comprises Mr. Suek Ka Lun, Ernie (Chairman) and Mr. Suek Chai Hong (Chief Executive Officer) being the executive Directors; Dr. Ng Wai Kwan, Mr. Chan Kwing Choi, Warren and Mr. Wong Sun Fat being the non-executive Directors; and Mr. Lee Kwok Wan, Mr. Chu Gun Pui and Ms. Sin Chui Pik, Christine being the independent non-executive Directors.