

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



ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “Board”) of Carry Wealth Holdings Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024 (the “Current Year”).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group’s principal activity is manufacturing and trading garment products for internationally renowned brand names. The Group has production facilities in Heshan, Mainland China (“Heshan Facility”). For this year, following the Group’s strategic decision to relocate the production base overseas, the Heshan Facility’s contribution in terms of production, has been significantly reduced. The Group engages overseas subcontractors for majority of its manufacturing process.

In addition, the Group has a securities investment business segment that trades securities listed on the Hong Kong Stock Exchange. Concerning the volatile stock market, the Group continues to adopt a conservative investment strategy during the Current Year.

RESULTS

For the Current Year, the Group’s revenue amounted to HK\$664.7 million (2023: HK\$493.1 million), and gross profits totalled HK\$66.1 million (2023: HK\$63.0 million). The increase in both of revenue and gross profit for the Current Year were mainly due to the increase in customer orders and sales volume. Meanwhile, due to increase in administrative expenses; the Group recorded a loss of HK\$33.8 million for the year (2023: HK\$8.9 million), and basic and diluted loss per share were both HK3.76 cents (2023: HK1.01 cents).

MARKET AND BUSINESS REVIEW

Garment manufacturing and trading segment

In terms of macroeconomy, the recovery of our major markets positively impacted our revenue. However, despite the increase in revenue, we experienced heightened losses for the Current Year due to rising operational costs, inflation and challenges in supply chain management, which offset the benefits of increased sales.

The U.S. and Europe regions remained the predominant geographical regions of our garment manufacturing and trading business and contributed 85.3% (2023: 82.7%) of segment revenue, which amounted to HK\$567.1 million for the Current Year (2023: HK\$407.9 million) in total.

As mentioned in the section headed Management Discussion and Analysis of the Group's annual report for the year ended 31 December 2023, the management team has planned to further reduce the production scale in Mainland China and downsize our manufacturing facility in Heshan. Contributions from overseas subcontractors for manufacturing process will be increased, primarily due to the change in customers' sourcing strategy. As mentioned in the Company's voluntary announcement dated 24 May 2024, the above business action has been proposed to and is supported by the Group's major customers. Upon the completion of the then existing production orders in May 2024, the Heshan Facility has not handled any further production orders of the Group.

Since May 2024, production orders were placed to overseas subcontractors, mainly, the Group's business partnerships with subcontracted factories in Cambodia and Indonesia. The contributions from products manufactured from South East Asian countries in terms of revenue from garment manufacturing and trading segment for the Current Year increased to 98% (2023: 84%), and our Heshan Facility contributed the remaining 2% (2023: 16%).

Securities investment segment

Given the stagnant performance of the securities investment segment in recent years and the volatile securities environment, the Group continued to adopt a conservative investment strategy for the Current Year. The securities investment business recorded nil fair value change (2023: fair value gain of HK\$0.1 million). In January 2023, the Group disposed of all of its listed equity securities and did not make further investment.

FINANCIAL REVIEW

Revenue

The revenue increased by 34.8% to HK\$664.7 million (2023: HK\$493.1 million), mainly due to the increase in customer orders and sales volume in the Current Year.

Gross profit

The gross profit increased by 4.9% to HK\$66.1 million (2023: HK\$63.0 million), mainly attributed to the higher demand from customers. The gross profit margin decreased to 10.0% (2023: 12.8%) due to the higher subcontracting services fee and freight costs for production in oversea factories.

Administrative and other operating expenses

Administrative and other operating expenses increased by 45.6% to HK\$78.6 million for the Current Year (2023: HK\$54.0 million), mainly due to (a) one-off redundancy costs and the idle costs of the Heshan Facility amounted to approximately HK\$3.8 million and HK\$4.0 million respectively for the Current Year in relation to the cessation of production of the Heshan Facility; (b) the increase in depreciation expenses by approximately HK\$3.0 million due to the additions of property, plant and equipment and right-of-use assets in the Current Year; and (c) the increase in handling fees paid to subcontractors, for supervising and administrative services by approximately HK\$10.1 million, caused by the increased production volume in overseas factories in the Current Year.

Selling and distribution expenses

Selling and distribution expenses increased by 25.5% to HK\$13.8 million for the Current Year (2023: HK\$11.0 million), which was in line with the increase in sales. The selling and distribution expenses ratio to garment manufacturing and trading revenue decreased to 2.1% (2023: 2.2%).

Finance expenses

Finance expenses increased by 20.9% to HK\$10.4 million for the Current Year (2023: HK\$8.6 million). The increase was mainly due to the increased loan volume in relation to invoice factoring arrangement.

Other income, gains and losses, net

During the Current Year, other income, gains and losses, net amounted to HK\$1.6 million (2023: HK\$0.9 million), mainly from customer compensation in relation to the cancellation of orders.

Loss for the year

Loss for the year increased by 279.8% to HK\$33.8 million for the Current Year (2023: HK\$8.9 million), mainly due to the increase in administrative and other operating expenses by HK\$24.6 million in the Current Year.

Treasury policy, liquidity and financial resources

Adhering to a conservative financial management methodology, the Group maintained a healthy financial position. As of 31 December 2024, the Group's cash and bank balances were HK\$111.0 million (2023: HK\$120.2 million) and no deposits were pledged to banks to secure short term loans. Working capital represented by net current assets amounted to HK\$106.2 million as of 31 December 2024 (2023: HK\$132.6 million). The Group's current ratio was 2.5 as of 31 December 2024 (2023: 2.6). The decrease in the cash and cash equivalents and working capital were due to the cash outflow for operating activities in the Current Year.

To maintain the cash flow of the Heshan Facility, a director of the Heshan subsidiary has advanced short term loans to the Heshan subsidiary. As at 31 December 2024, the loans amounted to HK\$40.5 million (2023: nil) and were denominated in Renminbi. At 31 December 2024, the amount due to a director of subsidiaries was interest-free, repayable on demand and secured by buildings and land use rights with carrying amounts of approximately HK\$37.3 million and HK\$7.2 million, respectively.

Bank borrowings were fully repaid as at 31 December 2024 (2023: HK\$33.0 million). The bank borrowings in 2023 were denominated in Renminbi, repayable within one year, and carried fixed interest rates of 3.7%.

Capital expenditure

During the Current Year, the Group incurred a total capital expenditure of HK\$5.7 million (2023: HK\$2.6 million), mainly related to the purchase of manufacturing equipment for the garment manufacturing and trading business in Cambodia and Indonesia to cope with its increasing scale, and the decoration costs of the newly leased office in Hong Kong.

Foreign exchange exposure

The Group's sales are principally transacted in US dollars. With a factory in Mainland China and offices in Hong Kong and Mainland China, the Group's operating expenses are primarily settled in Hong Kong dollars, Renminbi, and US dollars.

As the Hong Kong dollar is pegged to the US dollar, exposure to US dollars foreign exchange risk is minimal. The Group will closely monitor the fluctuation of the other foreign currency exchange rates and, if necessary, enter into foreign currency forward contracts to reduce such fluctuation risks. As at 31 December 2024, there were no the outstanding forward contracts.

Credit policy

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers during the year. The credit ratings of customers are constantly reviewed and their respective credit limits will be adjusted, as and when necessary.

CHARGES ON ASSETS

As at 31 December 2024, the Group's land use rights of HK\$7.2 million and buildings of HK\$37.3 million in Heshan, Mainland China were pledged as security for the loans from a director of subsidiaries. Also, as mentioned in the Company's announcement dated 24 February 2025, the pledge was subsequently released on 21 January 2025.

As at 31 December 2023, the Group's land use rights of HK\$7.6 million and buildings of HK\$42.6 million in Heshan, Mainland China were pledged as security for the Group's bank borrowings.

CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group had no contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group provides a harmonious working environment to employees whose commitment and expertise are critical to the long-term success of its business. The Group offers employees rewarding careers and provides them with a variety of training programs aimed at enhancing their professionalism. It rewards employees according to prevailing market practices, individual experience and performance. To attract and retain high caliber employees, the Group also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 31 December 2024, the Group had 213 full-time employees (2023: 400). The decrease was caused by the strategic plan of streamlining the operation of the Heshan Facility.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Board has overall responsibility for the Group's environmental, social and governance ("ESG") strategy. The Board is responsible for ensuring appropriate and effective risk management and internal control systems to mitigate ESG-related risks and meet stakeholders' needs and expectations. The Group's ESG management team is assigned key responsibilities, including monitoring the implementation of ESG strategic plans, alerting the Board of any potential ESG-related risks, reporting to the Board about the effectiveness of the ESG system and reviewing stakeholders' needs and expectations.

A full 2024 ESG report is being prepared with reference to Appendix C2 of the Environmental, Social and Governance Reporting Guide pertaining to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), and will be published on the Group’s and the Stock Exchange’s websites at the same time as the publication of the 2024 annual report.

OUTLOOK

The economic outlook is still full of uncertainty and the outcome of the US 2024 Presidential Election has influenced the geopolitical situation. Geographical risks are always a key factor that impacts our Group’s overall performance as an exporter with customers from the US and Europe. As part of our strategic plan, we will seek opportunities to engage new manufacturing partners or invest in new self-owned factories in other countries when deemed necessary. As for the Heshan Facility, although it will no longer handle further production orders for the Group, it will continue to play a key role in its administrative and supportive functions, as well as in the production of samples.

The garment manufacturing industry in 2025 is expected to continue evolving, driven by sustainability, technological advancements, and shifting consumer preferences. Despite challenges such as supply chain disruptions and rising production costs, the sector presents significant growth opportunities, particularly for embracing innovation and sustainability. The opportunity for growth is significant especially in eco-conscious and tech-driven markets. We will continue enhancing our sustainability practices and invest in automation and digital tools to maintain our competitive edge.

Given the stagnation in performance of the securities investment segment in recent years and the volatile securities environment, the management of the Company is adopting a prudent strategy for the securities investment in order to safeguard the interest of the Company and its shareholders as a whole.

We will continue focusing on our existing garment manufacturing and trading business. We will monitor the impacts of the macro-environmental factors and adjust the Group’s operational strategies accordingly. The Group is committed to seek and evaluate every opportunity and will strive to achieve long-term sustainable growth to maximise returns for its shareholders.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting (“AGM”) of the Company is scheduled to be held on Friday, 13 June 2025. The notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course. The register of members of the Company will be closed from Tuesday, 10 June 2025 to Friday, 13 June 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the AGM of the Company to be held on Friday, 13 June 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer agent in Hong Kong, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 9 June 2025.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Revenue	4	664,688	493,060
Cost of sales		<u>(598,552)</u>	<u>(430,109)</u>
Gross profit		66,136	62,951
Other income, gains and losses, net	5	1,558	942
Selling and distribution expenses		(13,838)	(11,024)
Administrative and other operating expenses		(78,645)	(54,013)
Finance income	6	1,396	800
Finance expenses	6	<u>(10,400)</u>	<u>(8,573)</u>
Loss before taxation	7	(33,793)	(8,917)
Income tax expense	8	<u>—</u>	<u>—</u>
Loss for the year		<u>(33,793)</u>	<u>(8,917)</u>
Other comprehensive income (expense) for the year			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of properties, net of tax		2,846	2,482
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of overseas operations		<u>1,026</u>	<u>(407)</u>
Other comprehensive income for the year, net of tax		<u>3,872</u>	<u>2,075</u>
Total comprehensive expense for the year		<u>(29,921)</u>	<u>(6,842)</u>
LOSS PER SHARE – (HK CENT)			
– Basic and diluted	9	<u>(3.76)</u>	<u>(1.01)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*AS AT 31 DECEMBER 2024*

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		51,135	54,408
Right-of-use assets		8,844	8,529
Interest in a joint venture		–	–
Other receivables and deposits	11	423	335
		60,402	63,272
CURRENT ASSETS			
Inventories		37,629	63,292
Trade and other receivables and deposits	11	30,494	32,582
Financial assets at fair value through profit or loss (“FVTPL”)	12	–	–
Cash and bank balances		111,034	120,151
		179,157	216,025
CURRENT LIABILITIES			
Trade and other payables	13	30,699	49,774
Amount due to a director of subsidiaries	14	40,480	–
Lease liabilities		1,742	724
Bank borrowings		–	32,967
		72,921	83,465
NET CURRENT ASSETS		106,236	132,560
TOTAL ASSETS LESS CURRENT LIABILITIES		166,638	195,832

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
NON-CURRENT LIABILITIES		
Lease liabilities	–	222
Deferred tax liabilities	18,715	17,766
	<u>18,715</u>	<u>17,988</u>
NET ASSETS	147,923	177,844
CAPITAL AND RESERVES		
Share capital	89,985	89,985
Reserves	57,938	87,859
TOTAL EQUITY	147,923	177,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Carry Wealth Holdings Limited (the “Company”) is a public limited company incorporated in Bermuda as an exempted company with limited liability under the Companies Act (as revised) of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The directors consider that the Company’s ultimate holding company is MARS Worldwide Holdings Limited (“MARS Worldwide”), a company incorporated in the British Virgin Islands (the “BVI”) with limited liability. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company acts as an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and trading of garment products and securities investment.

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

2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for buildings and financial instruments that are measured at revalued amounts or fair values, at the end of each reporting period.

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 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 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 for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and 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 Statement of Cash Flows (“HKFRS 7”). Minor amendments to HKAS 7 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 of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3 SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments are as follows:

- Garment manufacturing and trading
- Securities investment

The CODM assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis represented operating loss excluding material gain or loss which is capital in nature or of non-recurring nature such as impairment.

Reportable segments and reconciliation of reportable of segment revenue and results, assets and liabilities

(i) Segment revenue and results

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

	Garment manufacturing and trading HK\$’000	Securities investment HK\$’000	Total HK\$’000
For the year ended 31 December 2024			
Revenue			
Reportable segment revenue			
– External sales	664,688	–	664,688
	664,688	–	664,688
Reportable segment loss	(15,044)	(3,084)	(18,128)
	(15,044)	(3,084)	(18,128)
Unallocated other income, gains and losses, net			(12)
Corporate administrative expenses			(16,309)
Finance income			760
Finance expenses			(104)
Loss before tax			(33,793)
			(33,793)

	Garment manufacturing and trading <i>HK\$'000</i>	Securities investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2023			
Revenue			
Reportable segment revenue			
– External sales	492,974	86	493,060
	<u>492,974</u>	<u>86</u>	<u>493,060</u>
Reportable segment profit (loss)	4,093	(3,023)	1,070
	<u>4,093</u>	<u>(3,023)</u>	<u>1,070</u>
Unallocated other income, gains and losses, net			30
Corporate administrative expenses			(10,111)
Finance income			145
Finance expenses			(51)
Loss before tax			<u>(8,917)</u>

Segment loss represents the loss from each segment without allocation of corporate administrative expenses, certain other income, gains and losses, net and finance income and expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

(ii) ***Segment assets and liabilities***

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS		
Garment manufacturing and trading segment assets	196,465	223,936
Securities investment segment assets	1,068	1,128
Unallocated corporate assets	42,026	54,233
	<u>196,465</u>	<u>223,936</u>
Consolidated total assets	<u>239,559</u>	<u>279,297</u>
LIABILITIES		
Garment manufacturing and trading segment liabilities	68,663	81,800
Securities investment segment liabilities	257	259
Unallocated corporate liabilities	22,716	19,394
	<u>68,663</u>	<u>81,800</u>
Consolidated total liabilities	<u>91,636</u>	<u>101,453</u>

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

- All assets are allocated to operating segments other than certain property, plant and equipment, right-of-use assets, cash and bank balances managed on central basis, and head office assets.
- All liabilities are allocated to operating segments other than certain lease liabilities, accruals, deferred tax liabilities managed on central basis, and head office liabilities.

Geographic information

Information about the Group's revenue from external customers is presented based on the geographical location of the shipping destination and the Group's non-current assets is presented based on the geographical location of the assets is as following:

	Revenues from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000 (note)	2023 HK\$'000 (note)
USA	333,540	240,450	–	–
Mainland China	–	593	50,007	56,006
Europe	233,565	167,402	–	–
Hong Kong	38,513	37,234	6,894	3,867
Other regions	59,070	47,381	3,078	3,064
	664,688	493,060	59,979	62,937

Note: Non-current assets include property, plant and equipment, right-of-use assets and interest in a joint venture.

4 REVENUE

(a) Disaggregation of revenue

- (i) *The Group derives revenue from the transfer of goods and services by categories of major product lines and business*

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue from garment manufacturing and trading:		
– Sale of garment products	664,602	492,717
– Sale of scrap materials	86	257
	<u>664,688</u>	<u>492,974</u>
Revenue from other sources		
Securities investment:		
– Fair value gain on equity securities at FVTPL	–	86
	<u>664,688</u>	<u>493,060</u>

- (ii) *The Group derives revenue from the transfer of goods and services by timing of revenue recognition*

	2024 HK\$'000	2023 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue from garment manufacturing and trading at a point of time:		
– Sale of garment products	664,602	492,717
– Sale of scrap materials	86	257
	<u>664,688</u>	<u>492,974</u>

(iii) *The Group derives revenue from the transfer of goods and services by geographical markets*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
USA	333,540	240,450
Mainland China	–	593
Europe	233,565	167,402
Hong Kong	38,513	37,148
Other regions	59,070	47,381
	<u>664,688</u>	<u>492,974</u>

(b) **Contract balances**

	As at 31 December		As at 1 January
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	<u>26,189</u>	<u>23,451</u>	<u>38,950</u>

(c) **Performance obligations for contracts with customers and revenue recognition policies**

The Group is mainly engaged in the manufacturing and trading of garment products and securities investments.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.

The Group's performance obligations for contracts with customers and revenue recognition policies are as follows:

(i) ***Revenue from contracts with customers***

Manufacturing and trading of garment products

Revenue from contracts with customers represents amounts receivable for goods sold and services provided in the normal course of business and is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

The Group enters into sales contracts with customers for each transaction. Revenue from the sale of goods and services rendered is recognised based on the price specified in the contract when control of the products has transferred, which generally coincides with the time when shipment is made, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Delivery occurs when the products have been shipped to the specific location in accordance with the contracts with the customers.

No significant financing component is deemed present as the sales are made with a credit term ranging from 30 days to 90 days to its customers, which is consistent with market practice.

A receivable is usually recognised when revenue recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Revenue from other source

Securities investments

The Group's equity investments at FVTPL are measured at fair value at the end of each reporting period, with any realised and unrealised fair value gains or losses recognised in profit or loss and the fair value gains and losses on the equity investments at FVTPL are included in the revenue of the Group.

(iii) Other income

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

(d) Transaction price allocated to remaining performance obligation

The sales contracts are with an original expected duration of one year or less. Accordingly, the Group has selected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period.

5 OTHER INCOME, GAINS AND LOSSES, NET

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gains (losses) on disposal of properties, plant and equipment		101	(22)
Government subsidies	(a)	6	6
Secondment service fee	(b)	–	180
Compensation from customer		1,401	674
Exchange gain, net		–	30
Others		50	74
		1,558	942

Notes:

(a) Government subsidies

During the year ended 31 December 2024, the Group recognised government grants of approximately HK\$6,000 (2023: HK\$6,000) received from the PRC government and were designated for the encouragement of business development. There were no unfulfilled conditions to receive the grants.

(b) Secondment service fee

During the year ended 31 December 2023, the Group provided secondment service of personnel involved in securities investment for a fixed period of time pursuant to secondment service agreements. The Company did not receive any secondment service fee for the year ended 31 December 2024.

6 FINANCE INCOME AND FINANCE EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income on bank balances	<u>1,396</u>	<u>800</u>
Total finance income	<u>1,396</u>	<u>800</u>
Interest expenses on bank and other borrowings	<u>(10,296)</u>	<u>(8,522)</u>
Interest expenses on lease liabilities	<u>(104)</u>	<u>(51)</u>
Total finance expenses	<u>(10,400)</u>	<u>(8,573)</u>

7 LOSS BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Employee benefits expenses (including directors' emoluments)		
– Salaries, allowances and benefits in kind	33,603	43,030
– Contributions to retirement benefits schemes	1,937	3,847
– Redundancy costs	<u>3,840</u>	<u>–</u>
Total staff costs	<u>39,380</u>	<u>46,877</u>
Depreciation on:		
– Property, plant and equipment	12,266	10,416
– Right-of-use assets	<u>2,081</u>	<u>944</u>
	<u>14,347</u>	<u>11,360</u>
Cost of inventories recognised in profit or loss (including provision for inventories of nil (2023: HK\$73,000))	598,552	430,109
– including subcontracting and processing charges	<u>167,681</u>	<u>100,117</u>
Auditor's remuneration	<u>598</u>	<u>752</u>

8 INCOME TAX EXPENSE

Pursuant to the rules and regulations of Bermuda and the BVI, the Group is not subject to any income tax under these jurisdictions for both years.

The Group's entities which are either registered or incorporated in Hong Kong are subject to Hong Kong Profits Tax. 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% (2023: 16.5%).

The Group's subsidiaries established in the Mainland China are subject to the Enterprises Income Tax ("EIT") rate of 25% (2023: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in those places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No tax is payable on the profit for the years ended 31 December 2024 and 2023 arising in Hong Kong and Mainland China since the Group did not have any assessable profits in Hong Kong and Mainland China for both years.

9 LOSS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss attributable to equity holders of the Group	<u>(33,793)</u>	<u>(8,917)</u>
	Number of shares (<i>thousands</i>)	Number of shares (<i>thousands</i>)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>899,846</u>	<u>886,398</u>

No diluted loss per share for both years were presented as there were no potential ordinary shares in issue for both years.

10 DIVIDENDS

No dividend was paid, declared or proposed for the years ended 31 December 2024, nor has any dividend been proposed since the end of the reporting periods (2023: nil).

11 TRADE AND OTHER RECEIVABLES AND DEPOSITS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	26,189	23,451
Deposits and other receivables	2,687	5,236
Prepayments	2,041	4,230
	<u>30,917</u>	<u>32,917</u>

The following is an aged analysis of trade receivables presented based on the invoice date, at the end of the reporting period.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	21,956	17,539
31 – 60 days	2,036	2,231
61 – 90 days	2,197	2,984
Over 90 days	–	697
	<u>26,189</u>	<u>23,451</u>

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2024 and 31 December 2023, the Group did not have any financial assets at fair value through profit or loss.

During the year ended 31 December 2023, the Group disposed all of its Hong Kong listed equity securities and recognised a realised gain on listed equity securities upon disposal amounted to approximately HK\$86,000, which was credited to profit or loss for the year ended 31 December 2023.

During the year ended 31 December 2024, the Group did not acquire any investment security.

13 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	19,424	35,264
Accruals and other payables	11,275	14,510
	<u>30,699</u>	<u>49,774</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	15,891	22,274
31 – 60 days	1,952	12,852
61 – 90 days	1,386	5
Over 90 days	195	133
	<u>19,424</u>	<u>35,264</u>

14 AMOUNT DUE TO A DIRECTOR OF SUBSIDIARIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Amount due to a director of subsidiaries	40,480	–

At 31 December 2024 the amount due to a director of subsidiaries were interest-free, repayable on demand and secured by buildings and land use rights with carrying amounts of approximately HK\$37,311,000 and HK\$7,227,000, respectively.

Given the pledge agreement was entered into without the knowledge and approval of the Board, on 14 January 2025, the Board requested to terminate the pledge agreement and release the pledge immediately. Due to the procedural requirements in the PRC, the pledge agreement was terminated and the pledge was discharged on 21 January 2025. Details of the above are set out in the Company's announcement dated 24 February 2025.

EVENT AFTER THE REPORTING PERIOD

There are no significant events after the Reporting Period and up to the date of this announcement.

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 (including sale of treasury Shares (as defined under the Listing Rules)) during the Current Year. As at 31 December 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

REVIEW OF FINANCIAL INFORMATION

The Company has established an audit committee (the "Audit Committee") with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises the three independent non-executive directors, namely Mr. Cheng Wai Hei (committee chairman), Mr. Lam Chi Wing and Ms. Chiu Hoi Shan.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and discussed matters in relation to internal control and financial reporting with the management. The Audit Committee reviewed and considered that the annual financial results for the year ended 31 December 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

Scope of Work of SFAI (HK) CPA Limited

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out on this announcement have been agreed by the Group's auditor, SFAI (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SFAI (HK) 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SFAI (HK) CPA Limited on this announcement.

CORPORATE GOVERNANCE CODE

Save as disclosed herein, the Company has complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Part 2 of Appendix C1 to the Listing Rules throughout the year ended 31 December 2024.

During the year ended 31 December 2024, the Company had not complied with Code C.2.1 of the CG Code.

Following the removal of Ms. Ma Xiaoqiu as executive Director on 19 March 2024, Ms. Ma Xiaoqiu has ceased to be the chairlady of the Board with effect from the same date. The Company had not appointed any individual to take up the post of the Chairman and role and functions of the Chairman have been performed by all the executive Directors since then and until the appointment of Mr. Shen Peng as an executive Director and the chairman of the Board with effect from 12 November 2024.

During the year ended 31 December 2024, the position of chief executive officer of the Company remains vacant. The responsibilities of the chief executive officer are taken up by Mr. Tsang Chun Ho Anthony, an executive Director. The Board believes that this arrangement during the year ended 31 December 2024 enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently. The Board also believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management.

COMPLIANCE WITH THE LISTING RULES

Following the resignation of Mr. Wang Fan as an independent non-executive Director on 8 February 2024, (i) the number of independent non-executive Directors falls below the minimum number required under Rule 3.10(1) of the Listing Rules and one-third of the Board as required under Rule 3.10A of Listing Rules; and (ii) the number of members of the Audit Committee falls below the minimum number required under Rule 3.21 of the Listing Rules.

On 19 March 2024, Ms. Ma Xiaoqiu and Ms. Chen Jun were removed as Directors. Following such removal, the Company has a single gender board which does not meet the requirement under Rule 13.92 of the Listing Rules.

The Company has, on 7 May 2024, appointed Ms. Chiu Hoi Shan as an independent non-executive Director and a member of each of the audit committee of the Board, the remuneration committee of the Board and the nomination committee of the Board. Following such appointment, the Company has re-complied with the requirements of Rule 3.10(1), Rule 3.10A, Rule 3.21 and Rule 13.92 of the Listing Rules.

SECURITIES TRANSACTION OF DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year under review.

PUBLICATION OF 2024 ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.carrywealth.com). The annual report of the Company containing all the information as required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

By order of the Board of
Carry Wealth Holdings Limited
Choi Tan Yee
Executive Director

Hong Kong, 27 March 2025

As at the date hereof, the Board comprises Mr. Shen Peng and Mr. Choi Tan Yee as executive Directors and Mr. Cheng Wai Hei, Mr. Lam Chi Wing and Ms. Chiu Hoi Shan as independent non-executive Directors.