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Acme International Holdings Limited

益美國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1870)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	For the year ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue	200,634	192,402
Gross profit	48,092	52,788
Gross profit margin	24.0%	27.4%
Profit for the year	4,275	18,631

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Acme International Holdings Limited (the “**Company**”) presents the consolidated results of the Company and its subsidiaries (collectively as the “**Group**”) for the year ended 31 December 2024 (the “**Year**”), together with the audited comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2024	2023
	Note	HK\$'000	HK\$'000
Revenue	3	200,634	192,402
Cost of sales	5	(152,542)	(139,614)
Gross profit		48,092	52,788
Other income		148	3
Other losses, net	4	(1,149)	(219)
Administrative expenses	5	(35,375)	(24,267)
Impairment of financial and contract assets		(919)	(1,168)
Operating profit		10,797	27,137
Finance income		236	54
Finance costs		(3,721)	(2,825)
Finance costs, net		(3,485)	(2,771)
Profit before income tax		7,312	24,366
Income tax expenses	6	(3,037)	(5,735)
Profit for the year		4,275	18,631
Profit is attributable to:			
– Owners of the Company		4,441	20,046
– Non-controlling interests		(166)	(1,415)
		4,275	18,631
Earnings per share attributable to owners of the Company for the year			
– Basic and diluted (<i>HK cents</i>)	8	0.71	3.21

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Profit for the year	4,275	18,631
Other comprehensive (loss)/income:		
<i>Item that may be reclassified subsequently to consolidated income statement</i>		
Exchange difference on translation of foreign operations	<u>(1,396)</u>	<u>12</u>
Other comprehensive (loss)/income for the year	<u>(1,396)</u>	<u>12</u>
Total comprehensive income for the year	<u>2,879</u>	<u>18,643</u>
Total comprehensive income for the year is attributable to:		
– Owners of the Company	3,346	20,065
– Non-controlling interests	<u>(467)</u>	<u>(1,422)</u>
	<u>2,879</u>	<u>18,643</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		31,967	2,824
Intangible assets		6,472	–
Deposits		701	395
Deferred tax assets		49	270
Other non-current asset		2,958	–
		<u>42,147</u>	<u>3,489</u>
Current assets			
Inventories		10,751	3,437
Trade and retention receivables	10	32,627	49,267
Contract assets	11	87,124	83,394
Deposits, prepayments and other receivables		6,550	3,807
Amounts due from non-controlling interests		996	485
Income tax recoverable		3,114	–
Pledged and restricted deposits		5,412	15,768
Cash and cash equivalents		62,450	46,269
		<u>209,024</u>	<u>202,427</u>
Total assets		<u>251,171</u>	<u>205,916</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	12	6,240	6,240
Reserves		101,848	98,502
Capital and reserves attributable to owners of the Company		108,088	104,742
Non-controlling interests		3,185	1,020
Total equity		<u>111,273</u>	<u>105,762</u>

		As at 31 December	
		2024	2023
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings		65,458	56,294
Lease liabilities		2,464	1,069
Deferred tax liabilities		156	–
Provisions		914	800
		<u>68,992</u>	<u>58,163</u>
Current liabilities			
Trade and retention payables	13	34,614	23,726
Contract liabilities	11	7,891	3,731
Other payables and accruals		11,258	7,386
Income tax liabilities		121	2,465
Borrowings		14,277	3,413
Lease liabilities		2,745	1,270
		<u>70,906</u>	<u>41,991</u>
Total liabilities		<u>139,898</u>	<u>100,154</u>
Total equity and liabilities		<u>251,171</u>	<u>205,916</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Acme International Holdings Limited was incorporated in the Cayman Islands on 17 August 2018 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of design and build solutions for building maintenance unit (“**BMU**”) systems (“**BMU Systems Business**”), development, design, production and sale of green power energy generation and energy storage system, provision of electricity trading services and provision of professional technical services for renewable energy solutions (“**Green Power Energy Business**”).

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$'000**”), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared under the historical cost convention except for the investment in a key management insurance contract classified in other non-current asset which is stated at its cash surrender value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- HKAS 1 – Classification of Liabilities as Current or Non-Current (amendments)
- HKAS 1 – Non-current Liabilities with Covenants (amendments)
- HKFRS 16 – Lease Liability in a Sale and Leaseback
- HK Int 5 (Revised) – Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (Revised))
- Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements (amendments)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and amendments to existing standards not yet adopted by the Group

The following are new standards and amendments to existing standards that have been published and are mandatory for the Group's accounting periods beginning after 1 January 2024 or later periods, but have not been early adopted by the Group:

		Effective for accounting year beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing potential impact of the above new standards and amendments to existing standards that is relevant to the Group upon initial application.

The management of the Group plans to adopt these new standards and amendments to existing standards when they become effective.

3 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker (“**CODM**”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Director of the Company.

Operating segments are reported in the manner consistent with the internal reporting provided to the CODM. The Group is subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole.

The Group is principally engaged in the following:

- BMU Systems Business – provision of design and build solutions for BMU systems; and
- Green Power Energy Business – development, design, production and sale of green power energy generation and energy storage system, provision of electricity trading services and provision of professional technical services for renewable energy solutions.

The total non-current assets other than financial instruments and deferred tax assets broken down by location of assets, is shown as follows:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	25,545	1,969
New Zealand	10,434	–
The PRC	2,460	855
	38,439	2,824

Segment assets mainly exclude deferred tax assets, income tax recoverable, pledged and restricted deposits, cash and cash equivalents and other assets that are managed on a central basis.

Segment liabilities mainly exclude borrowings, income tax payable, deferred tax liabilities, and other liabilities that are managed on a central basis.

Unallocated corporate expenses represent costs that are used for all segments, including corporate expenses of HK\$7,411,000 (2023: HK\$6,970,000).

- (a) **Revenue from customers contributing over 10% of the total revenue of the Group for the year is as follows:**

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Customer A	54,145	42,536
Customer B	N/A	62,947
	54,145	105,483

(b) Revenue by customers' geographical location

The Group's revenue from external customers by geographical location, which is determined by location of the customers is as follows:

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	153,690	141,121
Macau	4,673	51,064
New Zealand	22,728	–
PRC	19,543	217
	200,634	192,402

(c) Disaggregated revenue from contracts with customers

Revenue of the Group is analysed as follows:

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Construction revenue	145,523	179,145
Maintenance service income	12,840	13,040
Provision of professional technical services for renewable energy solutions	22,728	–
Provision of electricity trading services	19,120	105
Sale of green power energy generation and energy storage system	423	112
	200,634	192,402

The Executive Directors assess the performance of the operating segments based on their underlying profit, which is measured by profit before income tax, excluding finance income, finance costs and other corporate items, which are managed on a central basis.

	BMU Systems Business		Green Power Energy Business		Total	
	Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers recognised over time	158,363	192,185	28,400	105	186,763	192,290
Revenue from external customers recognised at a point in time	–	–	13,871	112	13,871	112
	158,363	192,185	42,271	217	200,634	192,402
Segment results	14,732	38,043	2,990	(3,939)	17,722	34,104
Unallocated other operating income					48	3
Unallocated corporate expenses					(7,411)	(6,970)
Finance income					236	54
Finance costs					(3,283)	(2,825)
Profit before income tax					7,312	24,366
Income tax expenses					(3,037)	(5,735)
Profit for the year					4,275	18,631
Other segment information:						
Additions to property, plant and equipment (<i>Note</i>)	24,755	272	7,965	687	32,720	959
Additions to intangible assets resulting from the acquisition of a subsidiary	–	–	7,127	–	7,127	–
Depreciation	1,179	150	1,847	633	3,026	783
Amortisation	–	–	21	–	21	–

Note: Addition to property, plant, and equipment for Green Power Energy Business for the year ended 31 December 2024 includes purchases of HK\$4,279,000 and an additional HK\$3,686,000 resulting from the acquisition of a subsidiary.

	BMU Systems Business		Green Power Energy Business		Total	
	As at 31 December		As at 31 December		As at 31 December	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	155,888	140,068	22,098	733	177,986	140,801
Unallocated assets					73,185	65,115
Total assets					251,171	205,916
Segment liabilities	40,782	32,221	13,284	1,024	54,066	33,245
Unallocated liabilities					85,832	66,909
Total liabilities					139,898	100,154

4 OTHER LOSSES, NET

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Foreign exchange differences, net	488	219
Change in cash surrender value of other non-current asset	642	–
Others	19	–
	<u>1,149</u>	<u>219</u>

5 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Cost of sales relating to		
– BMU Systems Business (<i>Note (a)</i>)	126,719	139,348
– Green Power Energy Business (<i>Note (b)</i>)	25,823	266
Entertainment expenses	1,327	685
Office expenses	1,204	797
Employee benefit expenses recognised in administrative expenses (including directors' emoluments)	18,803	12,162
Amortisation expenses	21	–
Depreciation of property, plant and equipment	3,029	2,282
Insurance expenses	1,929	1,688
Auditor's remuneration		
– Audit	2,680	1,750
– Non-audit	219	40
Rental expenses – short term leases	137	82
Legal and professional fees	2,978	3,150
Bank charges	176	151
Travelling expenses	1,235	636
Other expenses	1,637	844
	<u>187,917</u>	<u>163,881</u>
Representing:		
Cost of sales	152,542	139,614
Administrative expenses	35,375	24,267
	<u>187,917</u>	<u>163,881</u>

Note:

- (a) The cost of sales relating to BMU Systems Business mainly included costs of construction materials, subcontracting charges, staff costs, testing, insurance and transportation.
- (b) The cost of sales relating to Green Power Energy Business mainly included materials for provision of professional technical services for renewable energy solutions and staff costs.

6 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profit for the Year.

During the Year, the Group's subsidiary in Macau is subject to complementary tax at a standard rate of 12% (2023: 12%).

The Group's subsidiary incorporated in the PRC is subject to Corporate Income Tax ("CIT") in accordance with the Law of the PRC on Corporate Income Tax (the "CIT Law"). Under the CIT Law, the income tax rate applicable to this subsidiary is 25% (2023: 25%).

The Group's subsidiary incorporated in New Zealand is subject to corporate income tax at a standard rate of 28% (2023: N/A).

No overseas profits tax has been calculated for the Group's entities that are incorporated in the BVI or the Cayman Islands as they are tax exempted in their jurisdictions.

The amount of taxation charged to the consolidated income statements represented:

	Year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Current income tax		
– Hong Kong profits tax	2,571	5,785
– Macau complementary tax	6	236
– PRC corporate income tax	251	2
Deferred tax expenses/(credits)	209	(288)
	<u>3,037</u>	<u>5,735</u>

7 DIVIDENDS

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

8 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Profit attributable to owners of the Company (HK\$'000)	4,441	20,046
Weighted average number of ordinary shares in issue (thousands)	<u>624,000</u>	<u>624,000</u>
Basic earnings per share (HK cents)	<u>0.71</u>	<u>3.21</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive shares.

For the Year, there is no potential dilutive shares and the diluted earnings per share is the same as the basic earnings per share (2023: same).

9 ACQUISITION OF A SUBSIDIARY

On 5 July 2024, the Group completed the acquisition of 51.22% equity interests in Future Energy Auckland Limited (“**Future Energy**”) at a consideration of NZ\$2,100,000 (equivalent to HK\$10,053,000) through capital injection.

Future Energy is a company incorporated in New Zealand and is principally engaged in the provision of professional technical services for renewable energy solutions in New Zealand.

The provisional fair values of identifiable assets and liabilities of Future Energy as at the date of completion were:

	<i>HK\$'000</i>
Property, plant and equipment	3,686
Intangible assets	450
Inventories	28
Trade receivables	624
Contract assets	807
Deposit, prepayments and other receivables	1,139
Cash and cash equivalents	9,844
Trade, bills and retention payables	(3,906)
Contract liabilities	(2,115)
Other payables and accruals	(151)
Borrowings	(73)
Deferred tax liabilities	(185)
Lease liabilities	(3,557)
	<hr/>
Net identifiable assets acquired	6,591
Less: non-controlling interests	(3,215)
Add: provisional goodwill	6,677
	<hr/>
Net assets acquired	<u>10,053</u>

10 TRADE AND RETENTION RECEIVABLES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade receivables (<i>Note (a)</i>)	18,371	34,705
Retention receivables (<i>Note (b)</i>)	15,283	15,529
	<hr/>	<hr/>
	33,654	50,234
Less: loss allowance	(1,027)	(967)
	<hr/>	<hr/>
Trade and retention receivables	32,627	49,267
	<hr/>	<hr/>

(a) Trade receivables

The ageing analysis of the trade receivables before loss allowances based on invoice date was as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
0-30 days	11,895	12,941
31-60 days	4,277	8,539
61-90 days	721	10,255
91-180 days	1,078	1,167
Over 180 days	400	1,803
	<hr/>	<hr/>
	18,371	34,705
	<hr/>	<hr/>

During the year ended 31 December 2024, trade receivables of HK\$170,000 were written-off directly into the consolidated income statement as the counterparties were undergoing liquidation process.

(b) Retention receivables

Retention receivables are settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion and the expiry of the defect liability period of the construction project in BMU Systems Business or a pre-agreed time period. In the consolidated statement of financial position, retention receivables were classified as current assets based on operating cycle. The ageing analysis of these retention receivables before loss allowances based on the terms of related contracts was as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Will be recovered within twelve months	7,945	5,366
Will be recovered more than twelve months after the end of the year	7,338	10,163
	<hr/>	<hr/>
	15,283	15,529
	<hr/>	<hr/>

During the year ended 31 December 2024, retention receivables of HK\$473,000 were written-off directly into the consolidated income statement as the counterparties were undergoing liquidation process.

11 CONTRACT ASSETS/LIABILITIES

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Contract assets relating to:		
– BMU Systems Business	86,783	84,357
– Green Power Energy Business	1,208	–
Less: loss allowances	(867)	(963)
Total contract assets	87,124	83,394
	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Contract liabilities relating to:		
– BMU Systems Business	5,410	3,606
– Green Power Energy Business	2,481	125
Total contract liabilities	7,891	3,731

(a) Significant changes in contract assets and liabilities

Contract assets have increased as the Group has provided more construction services ahead of the right to payment upon issuing invoices for construction contracts in the BMU Systems Business and the acquisition of Future Energy during the year (Note 9). The Group applied the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for contract assets. This resulted in a reversal of loss allowance of approximately HK\$96,000 (2023: increase of HK\$660,000).

During the year ended 31 December 2024, contract assets of HK\$312,000 were written-off directly into the consolidated income statement as the counterparties were undergoing liquidation process.

Contract liabilities for the construction contracts have increased due to more prepayments were received from customers on overall contract activities in the BMU Systems Business and the acquisition of Future Energy during the year (Note 9).

(b) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the years ended 31 December 2024 and 2023 relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year relating to:		
– BMU Systems Business	3,552	3,505
– Green Power Energy Business	125	–
	3,677	3,505
Revenue recognised from performance obligations satisfied in previous years relating to:		
– BMU Systems Business	20,862	21,820

(c) Unsatisfied performance obligations

The following table shows unsatisfied performance obligations resulting from fixed-price long-term contracts.

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Aggregate amount of the transaction price allocated to long-term contracts that are partially or fully unsatisfied as at year end		
– BMU Systems Business	120,136	152,683
– Green Power Energy Business	6,523	–
	126,659	152,683

Management expects that the transaction prices regarding the unsatisfied contracts as of 31 December 2024 will be recognised as revenue during the next corresponding reporting periods by referencing to the progress towards completion of the contract activity. The amount disclosed above does not include consideration which is constrained.

12 SHARE CAPITAL

	Number of ordinary shares	Share Capital HK\$'000
Authorised:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	4,000,000,000	40,000
Issued and fully paid:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	624,000,000	6,240

13 TRADE AND RETENTION PAYABLES

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Trade payables (<i>Note (a)</i>)	31,090	20,977
Retention payables (<i>Note (b)</i>)	3,524	2,749
	<hr/>	<hr/>
Trade and retention payables	34,614	23,726
	<hr/>	<hr/>

(a) Trade payables

Trade payables are unsecured and the credit terms of trade payables granted by suppliers ranges from 30 to 60 days from invoice date. The ageing analysis of trade payables based on invoice date as at year end were as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
0-30 days	7,059	9,945
31-60 days	9,968	5,303
61-90 days	4,975	232
91-120 days	2,324	–
Over 120 days	6,764	5,497
	<hr/>	<hr/>
	31,090	20,977
	<hr/>	<hr/>

(b) Retention payables

Retention payables are settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion and the expiry of the defect liability period of the construction project in BMU Systems Business or a pre-agreed time period. In the consolidated statement of financial position, retention payables were classified as current liabilities based on operating cycle. The ageing analysis of these retention payables based on the terms of related contracts was as follows:

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Will be settled within twelve months	308	317
Will be settled more than twelve months after the end of the year	3,216	2,432
	<hr/>	<hr/>
	3,524	2,749
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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

During the Year, the Green Power Energy Business, mainly consisted of AI + electricity trading business and renewable energy business in New Zealand, has made substantial progress. Through the electricity trading business and the New Zealand subsidiary acquired in the mid-year of 2024, the Green Power Energy Business segment successfully generated approximately HK\$42.3 million in revenue and approximately HK\$3 million in profit, reflecting a significant increase of approximately 195 times in the segment revenue compared to last year. The Group is confident that these businesses will continue to grow and reveal strong development potential. With the increasing global demand for sustainable development and renewable energy solutions, the Board is confident in future growth prospects.

AI + Electricity Trading Business

In 2023, in recognition of the significant business opportunities arising from China's electricity market reform, the Group officially launched its electricity trading business. The Group successfully obtained two electricity sales licenses in Guangdong and Shandong, being provinces with mature electricity spot markets. This business generated approximately HK\$19.1 million in revenue in 2024 and established a strong platform for continued growth in the future. With the Group successively obtaining three additional electricity sales licenses in Hunan, Guangxi, and Shanxi during 2024, following the advancement of national electricity market reform, the electricity trading business is expected to continue to achieve growth in 2025, which would lay the foundation for the Group to become a leading electricity trading company in terms of transaction scale in the national electricity market.

In April 2024, the Group established a technology-based subsidiary in Beijing specialising in the development and application of artificial intelligence (“AI”) technology in the field of new energy power. Within just over half a year, this subsidiary successfully applied its independently developed AI large model to electricity spot trading, achieving notable results and winning the second prize at the first AI electricity spot trading competition in China. By integrating AI technology, the Group adopts innovative trading mechanisms to enhance revenue structure and simultaneously improving operational efficiency and market positioning. Looking forward to the synergistic advantages of combining energy storage business, the Group will continue to invest in technology research and development and professional talent to maintain cutting-edge competitiveness in the industry. The management team has a high degree of confidence in the AI + electricity trading business. As more green power is put on the market, the Group will apply AI algorithms to further optimise the electricity trading outcome, effectively mitigating the uncertain risks of traditional electricity trading, but also greatly increase the profit margin of the electricity trading business.

New Zealand Renewable Energy Business

In July 2024, the Group completed the acquisition of Future Energy, a professional technical service provider engaging in providing renewable energy solutions in New Zealand. In the second half of 2024, Future Energy contributed more than HK\$22.7 million in revenue to the Group, demonstrating efficient integration benefits. Following the acquisition, with the support of the Group's resources, Future Energy exhibited rapid growth. Its workforce expanded from more than 20 to approximately 50 employees within the first six months following completion of the acquisition, and the business footprint has successfully extended from Auckland on the North Island to Dunedin on the South Island of New Zealand. Future Energy is currently planning to expand its service network to other major cities such as Queenstown, Christchurch, and Wellington, while gradually establishing operations in Northland, Bay of Plenty, Hawke's Bay, and Taupo regions to build a comprehensive operational presence across New Zealand. The Group expects that in the future, Future Energy will evolve into a leading enterprise within New Zealand.

In addition, the Group has been assisting Future Energy in optimizing its supply chain management to ensure competitive pricing for high-quality solar panels and related equipment sourced from leading global suppliers. With the surge in demand for rooftop solar power generation and energy storage in New Zealand's market, the Group will focus on diversifying its product offerings and tailoring services to meet local needs to effectively capture new customer groups.

BMU Business

The Hong Kong construction industry environment faces multiple challenges, including persistently high interest rates and an unstable economic environment that are suppressing investor confidence, leading to the delay or reduction in scale of many construction projects. With the increase in capital costs, property developers and main contractors are becoming more cautious about investing in new projects, which directly impacts the demand for permanent suspended platforms and associated services. Consequently, the profit margin of the BMU Business has decreased significantly in 2024. However, the Group remains cautiously optimistic about the future of the BMU Business, and the Group will continue to closely monitor market changes and trends so as to adjust strategies and respond effectively to market needs.

Expanding Green Power Energy Business in Southeast Asia

Looking ahead, the Group will focus on expanding the Green Power Energy Business in Southeast Asian regions, such as the Philippines and Vietnam. Given the positive economic development trends and existing power shortages in these regions, the Group is actively seeking opportunities for renewable energy generation projects, such as solar energy, wind energy, and energy storage solution. The Group plans to achieve a total installed capacity of 10-20GW in these regions in the next five years, and aspires to become a major green power producer in these regions.

FINANCIAL REVIEW

Revenue

During the Year, the revenue of the Group was approximately HK\$200.6 million, representing a slight increase of 4.3% as compared to approximately HK\$192.4 million recorded for the year ended 31 December 2023. The increase was mainly driven by the development of the Green Power Energy Business, especially the acquisition of Future Energy during the Year which offsets a decline in the BMU System Business.

The following table sets forth a breakdown of the revenue of the Group by business stream for the year indicated:

	Year ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
BMU System Business	158,363	192,185
Green Power Energy Business	42,271	217
Total	200,634	192,402

Gross profit and gross profit margin

Compared to the year ended 31 December 2023, the overall gross profit and gross profit margin of the Group decreased from approximately HK\$52.8 million and 27.5% to approximately HK\$48.1 million and 24%, respectively. This decline was primarily due to a reduction in the number and profit margin of the variation orders received by the BMU Systems Business.

Other income

The other income of the Group for the Year primarily consisted of rental income generated from the properties acquired during the Year. These properties were purchased with the intention of self-use following the expiration of the existing tenancies.

Other losses, net

The net of other losses recorded for the Year represented the net foreign exchange differences and the change in cash surrender value of other non-current asset, and the net of other losses recorded for the year ended 31 December 2023 represented the net foreign exchange differences.

Administrative expenses

The administrative expenses of the Group mainly consist of (i) employee benefit expenses for its administrative and management personnel; (ii) insurance expenses; (iii) office expenses; (iv) depreciation expenses; (v) legal and professional fees; and (vi) auditor's remuneration.

The administrative expenses of the Group increased by approximately HK\$11.1 million to approximately HK\$35.4 million for the Year, as compared to approximately HK\$24.3 million for the year ended 31 December 2023. The increase was mainly due to the increase in staff cost, depreciation expenses, office expenses and travelling expenses as a result of the development of the Green Power Energy Business during the Year.

Finance income and Finance costs

The finance income of the Group represents the interest income from bank deposits, and the finance costs of the Group represent the interest expenses arising from borrowings and, to a lesser extent, its lease liabilities.

The net of finance costs of the Group for the Year increased to approximately HK\$3.5 million from approximately HK\$2.8 million for the year ended 31 December 2023, which was mainly due to the increase in borrowings drawn by the Company.

Income tax expenses

The Group's operation is based in Hong Kong which is subject to Hong Kong profit tax calculated at 16.5%. During the Year, the Group's subsidiaries in the PRC and New Zealand are subject to corporate income tax at a standard rate of 25% and 28%, respectively, and the Group's subsidiaries in Macau is subject to complementary tax at a standard rate of 12%. As compared to the year ended 31 December 2023, the income tax expenses of the Group for the Year decreased from HK\$5.7 million to HK\$3.0 million mainly due to the decline in profit before tax from the BMU Systems Business.

Profit for the year

The net profit of the Group for the Year decreased from approximately HK\$18.6 million to approximately HK\$4.3 million, as compared to the year ended 31 December 2023. The decline in the net profit for the Year was primarily due to the significant decrease in the profit margin from the BMU Systems Business segment, and the increase in administrative expenses of the Group due to the development of the Green Power Energy Business.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2024, the Group's monetary assets, including cash and cash equivalents, and pledged and restricted deposits increased to approximately HK\$67.9 million as compared to approximately HK\$62.0 as at 31 December 2023.

The Group entered into several loan agreements with a shareholder, Mr. Kwan Kam Tim (“**Mr. Kwan**”), in which Mr. Kwan had agreed to make available a loan facility up to an aggregate amount of HK\$43 million to finance the general operation of the Group, with HK\$10 million repayable on 15 July 2025 and HK\$33 million repayable on 15 January 2026. As at 31 December 2024, the loan (including accrued interests) of approximately HK\$47,594,000 (2023: HK\$45,294,000) was denominated in HK\$, unsecured, interest bearing at 5.5% per annum (2023: same). The interest rate will be 6% per annum effective from 16 January 2025.

The Group entered into several loan agreements with a shareholder, Treasure Ship Holding Limited (“**Treasure Ship**”), in which Treasure Ship had agreed to make available a loan facility up to an aggregate amount of HK\$40 million and repayable on 30 June 2026. As at 31 December 2024, the loan (including accrued interests) of approximately HK\$29,559,000 (2023: HK\$11,000,000) was denominated in HK\$, unsecured, interest bearing at 5.5% per annum (2023: same). The interest rate will be 6% per annum effective from 16 January 2025.

As at 31 December 2024 and 2023, the Group's total borrowings amounted to approximately HK\$79.7 million and HK\$59.7 million, respectively. The borrowings as at 31 December 2024 were mainly denominated in Hong Kong Dollars (2023: same) and carried at interest rates of 3.00% to 5.58% per annum (2023: 5.50% to 6.41%).

As at 31 December 2024, the Group had unutilised credit facilities of HK\$73.3 million (2023: HK\$29.1 million), of which HK\$56.7 million (2023: HK\$18.0 million) were subject to additional security requirements, necessitating the placement of pledged or restricted deposits into a bank on a 1:1 basis to secure the facilities.

The Group's net debt-to-equity ratios (net debt, being the total of borrowings and lease liabilities less cash and cash equivalents, as at the year end divided by total equity attributable to shareholder as at the year end and multiplied by 100%) increased to approximately 20%, compared to gearing ratio of 15% as at 31 December 2023. The increase in net debt-to-equity ratio was mainly due to the increase in borrowings for business development purposes as at 31 December 2024.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group will have adequate cash for its business operation and business development.

FOREIGN EXCHANGE RISK AND HEDGING

The Group mainly operates in Hong Kong, Macau, the PRC and New Zealand, and majority of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated and settled in Hong Kong Dollars, Euros (“**EUR**”), Renminbi (“**RMB**”) and New Zealand Dollars (“**NZD**”). The Group is exposed to foreign exchange risk from various currencies, primarily with respect to EUR, RMB and NZD. The management of the Group has formulated a policy to manage the foreign exchange risk against the functional currencies of the Group. It mainly includes managing the foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and would consider the use of foreign exchange contracts to manage foreign exchange risks, where appropriate. The Group did not enter into any foreign currency derivative financial instruments for the year ended 31 December 2024. The Group did not use any financial instruments for hedging purposes during the year ended 31 December 2024 (2023: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of Future Energy

On 12 April 2024, Green Energy Power Inc. (“**Green Energy**”), a wholly-owned subsidiary of the Company as subscriber, entered into the subscription deed with Future Energy as the issuer and Future Energy Holdings Limited, Mr. Alastair James Mortensen and Mr. Heath Lloyd Ellis Coleman as warrantors under which Green Energy agreed to subscribe for approximately 51.22% of total number of issued shares of Future Energy as enlarged by the allotment and issue of such subscription shares at the aggregate subscription price of NZ\$2,100,000 (equivalent to approximately HK\$10,053,000).

Future Energy is a company incorporated in New Zealand and is principally engaged in the provision of professional technical services for renewable energy solutions in New Zealand.

For further details of the acquisition of Future Energy, please refer to the announcements of the Company dated 14 April 2024, 17 May 2024 and 5 July 2024.

Acquisition of properties

On 9 October 2024, Acme Gondola Systems Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, as the purchaser entered into the preliminary agreements with an independent third party, CSW1018 Company Limited as the vendor (the “**Vendor**”), pursuant to which the Purchaser has agreed to purchase Workshops 5, 6 and 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong (the “**Properties**”) at the aggregate consideration of HK\$40,455,000 (with a cash rebate paid by the Vendor in the amount of HK\$17,530,000). The acquisition of the Properties was completed on 9 December 2024.

For further details, please refer to the announcements of the Company dated 9 October 2024 and 18 October 2024.

Save as disclosed above, the Group did not have any other material acquisitions or disposals of assets, subsidiaries, associated companies or joint ventures during the Year.

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries, the Group did not have any significant investments in equity interest as at 31 December 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed above, the Group has no plan for any material investments or capital assets as at 31 December 2024.

PLEDGE OF ASSETS

As at 31 December 2024, pledged and restricted deposits in the sum of approximately HK\$5.4 million (2023: HK\$15.8 million), other non-current asset of approximately HK\$3.0 million (2023: N/A) and the property, plant and equipment in the sum of approximately HK\$24.3 million (2023: N/A) were placed with banks as securities for certain banking facilities of the Group.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At each of the years ended 31 December 2024 and 2023, the Group's contingent liabilities were as follows:

(i) Surety bonds and performance guarantee insurance contract

	As at 31 December	
	2024	2023
	HK\$'000	HK\$'000
Surety bonds (<i>Note (a)</i>)	13,715	13,123
Performance guarantee insurance contract (<i>Note (b)</i>)	16,907	2,203
	<u>30,622</u>	<u>15,326</u>

Note (a): As at 31 December 2024, the Group provided guarantees of surety bonds in respect of 25 (2023: 22) construction contracts in relation to BMU Systems Business of the Group in its ordinary course of business respectively. The surety bonds are expected to be released in accordance with the term of the respective construction contracts.

Note (b): As at 31 December 2024, the Group provided performance guarantee insurance contracts in relation to the Green Power Energy Business. The contracts will be released from 28 February 2025 to 30 June 2026.

(ii) Capital commitments

The Group has no material commitments as at 31 December 2024 and 31 December 2023.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had 133 full-time employees (As at 31 December 2023: 66 employees). The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wages, employee benefits and liabilities for breaches and grounds for termination.

Remuneration of the Group's employees (including the Directors) is generally structured by reference to market terms and individual merits. Salaries are reviewed annually with reference to market conditions and the performance, qualifications and experience of individual employees.

Discretionary bonuses are paid on an annual basis based on the results of the Group, individual performance and other relevant factors. The Company has also introduced the key performance indicators assessment scheme to boost performance and operational efficiency.

The Company has also adopted a share option scheme to recognise and reward the eligible employees for their contributions to the business and development of the Group.

SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

On 17 March 2025, the Company entered into a placing agreement with the placing agent to procure on a best effort basis not less than six places who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 124,800,000 placing Shares at the placing price of HK\$0.138 per placing share. The placing Shares will be allotted and issued under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 30 May 2025.

On the same date, the Company entered into a subscription agreement with Treasure Ship to allot and issue 220,000,000 shares of the Company at the subscription price of HK\$0.138 per subscription share, which shall be settled by Treasure Ship (a) in the amount of HK\$3,000,000 in cash; and (b) in the remaining amount of approximately HK\$27.4 million by setting off against part of the loan due by the Company to Treasure Ship. The subscription Shares will be allotted and issued under the specific mandate. An extraordinary general meeting of the Company will be convened and held to consider and approve, among others, the subscription agreement with Treasure Ship Holding Limited and the transactions contemplated thereunder.

For further details, please refer to the Company's announcement dated 17 March 2025.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code set out in Part 2 of the Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (the “**CG Code**”) as its own code of corporate governance.

To the best knowledge of the Directors, the Company had complied with all applicable code provisions as set out in the CG Code throughout the Year.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors' securities transactions. Having made specific inquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Year.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the “**AGM**”) will be held on Tuesday, 17 June 2025. The notice of AGM will be published and delivered to the Shareholders in due course.

FINAL DIVIDEND

The Board does not recommend payment of final dividend for the Year.

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 12 June 2025 to Tuesday, 17 June 2025 (both days inclusive), during which period no transfer of Shares will be registered, for purpose of determining the right to attend and vote at the AGM. All transfer of the Company’s shares together with the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong no later than 4:30 p.m. on Wednesday, 11 June 2025 in order for the holders of the shares to qualify to attend and vote at the AGM or any adjournment thereof.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive directors of the Company with written terms of reference in accordance with the requirements of the Listing Rules. The Audit Committee has reviewed and has agreed with the auditor of the Company on the Group’s audited final results for the Year.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF THE 2024 ANNUAL RESULTS AND THE 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) as well as the website of the Company (www.acmehld.com). The annual report of the Company for the Year will be dispatched to Shareholders and made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board of
Acme International Holdings Limited
Mr. Kwan Kam Tim
Chairman and Executive Director

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises six members, of which Mr. Kwan Kam Tim, Mr. Yip Wing Shing and Mr. Zhang Guangying are the executive directors of the Company; and Prof. Hon. Lau Chi Pang, BBS, J.P., Mr. Chin Wai Keung Richard and Prof. Mo Lai Lan are the independent non-executive directors of the Company.