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FUTURE WORLD HOLDINGS LIMITED

未來世界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board of directors (the “**Board**”) of Future World Holdings Limited (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024	2023
	Notes	HKD'000	HKD'000
			(Re-presented)
Revenue	4	84,458	38,948
Cost of sales		<u>(42,676)</u>	<u>(17,311)</u>
Gross profit		41,782	21,637
Other income and gains	6	67,875	2,400
Selling and distribution costs		(1,190)	(23)
Administrative expenses		(47,428)	(30,452)
Provision for credit loss allowances on trade receivables, net		(4,851)	(989)
Reversal of/(provision for) credit loss allowances on other receivables		22,744	(12,195)
Reversal of credit loss allowances on loan and interest receivables, net		11,524	3,115
Reversal of expected credit loss on loan commitment, net		–	6,512
Provision for expected credit loss on investment in corporate bond		(236)	(2,746)
Change in fair value of investment properties		(58,399)	(67,069)
Change in fair value of financial assets at fair value through profit or loss	14	28,532	(55,215)
Impairment loss on property, plant and equipment		–	(1,455)
(Loss)/gain on disposal of subsidiaries		<u>(500)</u>	<u>4,838</u>
Operating gain/(loss)		59,853	(131,642)
Finance costs	7	<u>(23,969)</u>	<u>(19,318)</u>
Profit/(loss) before income tax	8	35,884	(150,960)
Income tax expense	9	<u>(22,553)</u>	<u>(1,571)</u>
Profit/(loss) for the year		<u>13,331</u>	<u>(152,531)</u>

		2024 <i>HKD'000</i>	2023 <i>HKD'000</i> (Re-presented)
	<i>Notes</i>		
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		(6,204)	(1,764)
Release of exchange reserve upon disposals of subsidiaries		–	(226)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	12	(245)	(56,043)
Other comprehensive loss for the year, net of income tax		(6,449)	(58,033)
Total comprehensive income/(loss) for the year		6,882	(210,564)
Profit/(loss) for the year attributable to:			
Owners of the Company		13,494	(151,730)
Non-controlling interests		(163)	(801)
		13,331	(152,531)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		7,009	(211,052)
Non-controlling interests		(127)	488
		6,882	(210,564)
		<i>HKD</i>	<i>HKD</i>
Earnings/(loss) per share attributable to the owners of the Company			
Basic and diluted	11	0.06	(1.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
Non-current assets			
Property, plant and equipment		163,280	570
Right-of-use assets		23,234	1,845
Investment properties		971,414	770,723
Goodwill		1,527	–
Interest in an associate		–	–
Financial assets at fair value through other comprehensive income	12	9,909	10,154
Investment in corporate bond	13	–	14,039
Loan receivables	15	–	10,978
Deferred tax assets		2,781	6,877
Rental deposit	16	–	249
		1,172,145	815,435
Current assets			
Inventories		1,417	–
Loan and interest receivables	15	163,831	187,300
Financial assets at fair value through profit or loss	14	115,321	88,833
Investment in corporate bond	13	14,553	–
Trade and other receivables	16	35,245	52,632
Amount due from a director	22	65,746	–
Cash and bank balances		99,275	81,721
		495,388	410,486
Current liabilities			
Trade payables, accruals and other payables	17	38,453	14,638
Contract liabilities		6,634	–
Lease liabilities		2,699	1,595
Bank borrowings	18	217,368	276,783
Other borrowings	19	87,653	88,119
Promissory note	20	13,887	–
Bond payable	21	44,857	–
Loans from a director		21,284	–
Tax payables		3,442	1,213
		436,277	382,348

		2024	2023
	<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
Net current asset		59,111	28,138
Total assets less current liabilities		1,231,256	843,573
Non-current liabilities			
Bond payable	21	–	42,200
Lease liabilities		19,743	308
Other borrowings	19	293,784	–
Loans from a director		49,324	–
Deferred tax liabilities		20,375	–
		383,226	42,508
Net assets		848,030	801,065
Capital and reserves			
Share capital	22	101,556	92,876
Reserves		746,474	708,189
Equity attributable to the owners of the Company		848,030	801,065
Non-controlling interests		–	–
Total equity		848,030	801,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL

Future World Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in (i) hotel operation and ancillary business; (ii) property investment, management and agency; (iii) provision of financing services; (iv) securities trading and investment; (v) securities brokerage business; (vi) trading business and related services; and (vii) high technology business.

The consolidated financial statements are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated. The comparative figures of net realised gain/(loss) from securities trading and investment have been reclassified as change in fair value of financial assets at fair value through profit or loss to confirm with current year’s presentation.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are measured at fair value.

3. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

(a) Adoption of amendments in HKFRSs – effective 1 January 2024

In the current year, the Group has applied a number of amendments to HKFRSs issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2024. These amendments have been applied by the Group for the first time in the current year unless otherwise specified.

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 HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- (iv) That only if an option at the discretion of the counterparty included in the terms of a convertible liability is itself an equity instrument in accordance with HKAS 32 Financial Instrument: Presentation would not affect the current or non-current classification of the liability.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. Covenants with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current at the reporting date.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

(b) New and amendments to HKFRSs not yet adopted

The Group has not applied the following new and amendments to HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

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

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

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

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

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

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.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; 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 primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted, and will be applied retrospectively. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is still currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

4. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) hotel operation and ancillary business; (ii) property investment, management and agency services; (iii) provision of financing services; (iv) securities trading and investment; (v) securities brokerage business; (vi) trading business and related services; and (vii) high technology business during the years. An analysis of the Group's revenue for the years are as follows:

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Revenue		
Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:		
Catering and other service income from hotel operation and ancillary business	32,779	–
Commission income from property agency service	15,819	–
Income from high technology business	–	17,134
Service income from securities brokerage business	–	1,050
Revenue from contracts with customers within the scope of HKFRS 15 recognised over time:		
Hotel room rental and hostel cleaning services income from hotel operation and ancillary business	10,801	–
Income from property management service	6,454	–
Revenue from other sources:		
Rental income from property investment	8,881	6,679
Interest income from provision of financing services	9,401	12,891
Dividend income from securities trading and investment	323	981
Interest income from debt instrument	–	213
	84,458	38,948

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers (the “**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group’s major operations.

The measurement policies the Group uses for reporting segment results under HKFRS 8 Operating Segments are the same as those used in its consolidated financial statements prepared under HKFRSs.

No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under HKFRS 8 are as follows:

- Hotel operation and ancillary business (Note (a))
- Property investment, management and agency services (Note (b))
- Provision of financing services
- Securities trading and investment
- Securities brokerage business
- Trading business and related services
- High technology business

Notes:

- (a) In current year, the hotel operation and ancillary business was commenced after the acquisition of subsidiaries as detailed in Notes 23(a) and (d) and is considered as a new operating and reportable segment.
- (b) In current year, the CODM decided to change the segment of “property investment” to “property investment, management and agency services” due to acquisition of subsidiaries as detailed in Notes 23(b) and (c).

Segment revenue and financial performance

The following is an analysis of the Group's revenue and financial performance from operations by reportable and operating segments:

	Property investment,														
	Hotel operation and ancillary business		management and agency services		Provision of financing services		Securities trading and investment		Securities brokerage business		Trading business and related services		High technology business		Total
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Revenue															
– External sales	43,580	-	31,154	6,679	9,401	12,891	323	1,194	-	1,050	-	-	17,134	84,458	38,948
Segment financial performance	(5,382)	-	2,256	(70,778)	33,173	20,034	10,697	(61,800)	(38)	(142)	(705)	(2,259)	(302)	37,165	(113,693)
Unallocated corporate income														25,301	582
Unallocated corporate expenses														(22,549)	(33,991)
Unallocated finance costs														(4,033)	(3,858)
Profit/(loss) before income tax														35,884	(150,960)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned/(loss incurred) by each segment without allocation of certain administration costs, directors' emoluments, certain other income and gains and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	2024 HKD'000	2023 HKD'000
Segment assets		
Hotel operation and ancillary business	197,529	–
Property investment, management and agency services	1,011,795	776,548
Provision of financing services	203,710	229,204
Securities trading and investment	88,077	74,158
Securities brokerage business	4,348	3,666
Trading business and related services	1,063	1,145
High technology business	436	2,262
	<hr/>	<hr/>
Total segment assets	1,506,958	1,086,983
Unallocated corporate assets	160,575	138,938
	<hr/>	<hr/>
Consolidated assets	<u>1,667,533</u>	<u>1,225,921</u>
Segment liabilities		
Hotel operation and ancillary business	133,864	–
Property investment, management and agency services	458,112	200,503
Provision of financing services	–	52
Securities trading and investment	116,029	168,269
Trading business and related services	1,828	1,893
High technology business	2,236	189
	<hr/>	<hr/>
Total segment liabilities	712,069	370,906
Unallocated corporate liabilities	107,434	53,950
	<hr/>	<hr/>
Consolidated liabilities	<u>819,503</u>	<u>424,856</u>

Other segment information

	Hotel operation and ancillary business		Property investment, management and agency		Provision of financing services		Securities trading and investment		Securities brokerage service		Trading business and related services		High technology business		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000	HKD '000
Amounts included in the measure of segment profit or loss or segment assets:																		
Addition to property, plant and equipment	156,905	-	13,167	-	-	24	-	795	-	-	-	-	-	-	-	34	170,072	853
Addition to right-of-use assets	24,946	-	-	-	-	-	-	-	-	-	-	-	-	-	-	662	24,946	662
Depreciation of property, plant and equipment	3,895	-	1,008	-	-	18	-	80	-	-	-	26	-	106	6	144	4,909	374
Depreciation of right-of-use assets	1,314	-	-	-	-	118	-	-	-	-	-	-	-	-	930	2,454	2,244	2,572
Reversal of credit loss allowances on loan and interest receivables, net	-	-	-	-	(8,014)	(3,115)	-	-	-	-	-	-	-	-	(3,510)	-	(11,524)	(3,115)
Provision for credit loss allowances recognised on trade receivables, net	-	-	4,851	158	-	-	-	-	-	-	-	507	-	324	-	-	4,851	989
(Reversal of)/provision for credit loss allowances recognised on other receivables	-	-	991	374	(16,811)	4,897	-	-	-	-	-	-	-	-	(6,924)	6,924	(22,744)	12,195
Impairment loss on property, plant and equipment	-	-	-	-	-	-	-	5	-	-	-	-	-	1,450	-	-	-	1,455
Reversal of expected credit loss on loan commitment	-	-	-	-	-	(6,512)	-	-	-	-	-	-	-	-	-	-	-	(6,512)
Provision for expected credit loss on investment in corporate bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	236	2,746	236	2,746
Change in fair value of financial assets at FVTPL	-	-	(4)	-	-	-	(28,528)	55,215	-	-	-	-	-	-	-	-	(28,532)	55,215
Change in fair value of investment properties	-	-	58,399	67,069	-	-	-	-	-	-	-	-	-	-	-	-	58,399	67,069
Finance costs	2,918	-	11,391	7,074	-	1	5,619	8,373	-	-	-	-	12	3,858	4,041	3,858	23,969	19,318
Income tax expense	1,593	-	20,960	179	-	1,392	-	-	-	-	-	-	-	-	-	-	22,553	1,571
Loss on written off of property, plant and equipment	-	-	-	-	44	69	-	-	-	-	-	-	-	-	522	-	566	69
Loss on lease modification	317	-	-	-	-	-	-	-	-	-	-	-	-	-	17	-	334	-
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-	(609)	-	-	-	-	-	-	-	-	-	(609)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:																		
Interest income on bank deposits	(60)	-	(51)	(1)	(1)	(1)	(20)	(4)	(21)	(64)	-	-	-	(7)	(5)	(6)	(158)	(83)
Interest income from unlisted corporate bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,500)	(1,500)	(1,500)	(1,500)
Loss/(gain) on disposals of subsidiaries	-	-	500	-	-	-	-	-	-	-	-	-	-	(4,838)	-	-	500	(4,838)

Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers classified in accordance with geographical location of customers during the reporting period and information about the non-current assets, except rental deposit, deferred tax assets, financial assets at FVTOCI, loan receivables, interest in an associate, investment in corporate bond and goodwill classified in accordance with geographical location of the assets at the end of the reporting period are detailed below.

	2024			2023		
	Hong Kong HKD'000	The PRC HKD'000	Total HKD'000	Hong Kong HKD'000	The PRC HKD'000	Total HKD'000
Revenue	<u>13,243</u>	<u>71,215</u>	<u>84,458</u>	<u>21,814</u>	<u>17,134</u>	<u>38,948</u>
Non-current assets:						
Property, plant and equipment	–	163,280	163,280	570	–	570
Right-of-use assets	272	22,962	23,234	1,845	–	1,845
Investment properties	<u>564,000</u>	<u>407,414</u>	<u>971,414</u>	<u>643,700</u>	<u>127,023</u>	<u>770,723</u>
	<u>564,272</u>	<u>593,656</u>	<u>1,157,928</u>	<u>646,115</u>	<u>127,023</u>	<u>773,138</u>

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2024 HKD'000	2023 HKD'000
Customer A ¹	– ³	6,232
Customer B ²	–	5,929
Customer C ²	<u>–</u>	<u>5,336</u>

For the year ended 31 December 2024, there is no single external customers contributed more than 10% revenue of the Group.

¹ Interest income from provision of financing services

² Income from high technology business

³ The corresponding revenue did not contribute over 10% of the Group's total revenue in the respective year

6. OTHER INCOME AND GAINS

	2024 HKD'000	2023 HKD'000
Other income		
Interest income on bank deposits	158	83
Interest income from unlisted corporate bond	1,500	1,500
Sundry income	1,011	180
Government subsidies (<i>Note</i>)	–	28
	<u>2,669</u>	<u>1,791</u>
Other gains		
Gain on substantial modification of other borrowings (<i>Note 19</i>)	65,206	–
Gain on disposal of property, plant and equipment, net	–	609
	<u>65,206</u>	<u>609</u>
	<u>67,875</u>	<u>2,400</u>

Note: During the year ended the 31 December 2023, the government subsidies recognised were the approved subsidies in the Employment Support Scheme under the Anti-epidemic Fund as promulgated by the Government of the Hong Kong Special Administrative Region of the PRC. No unfulfilled conditions or contingencies were attached to these subsidies.

7. FINANCE COSTS

	2024 HKD'000	2023 HKD'000
Interest expenses on bank borrowings	12,301	12,301
Interest expenses on other borrowings	6,198	3,146
Interest expenses on lease liabilities	1,493	197
Interest expenses on other payables	85	122
Interest expenses on bonds	3,605	3,552
Interest expenses on promissory note	287	–
	<u>23,969</u>	<u>19,318</u>

8. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax has been arrived at after charging:

	2024 HKD'000	2023 HKD'000
Directors' and chief executive's emoluments (excluding contributions to retirement benefits scheme)	1,182	2,411
Other staff costs	17,976	7,377
Contributions to retirement benefits scheme (<i>Note</i>)	1,849	266
Total staff costs	<u>21,007</u>	<u>10,054</u>
Auditor's remuneration:		
– Audit services	1,400	1,280
– Non-audit services	520	460
Cost of inventories recognised as expenses	17,302	17,105
Depreciation of property, plant and equipment	4,909	374
Depreciation of right-of-use assets	2,244	2,572
Direct operating expenses arising from investment properties that generated rental income during the year	396	608
Direct operating expenses arising from investment properties that did not generated rental income during the year	331	175
Expenses relating to short-term leases	991	27
Loss on lease modification	334	–
Loss on written off of property, plant and equipment	<u>566</u>	<u>69</u>

Note: As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2023: Nil).

9. INCOME TAX EXPENSE

	2024 HKD'000	2023 HKD'000
The PRC Enterprise Income Tax (“EIT”)		
– Current tax	3,457	–
– Under provision in prior years	–	32
Withholding tax	<u>207</u>	<u>179</u>
	3,664	211
Deferred tax charged to profit or loss	<u>18,889</u>	<u>1,360</u>
Income tax expense	<u>22,553</u>	<u>1,571</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the “BVI”), the Group is not subject to any income tax under these jurisdictions during the year (2023: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% for the years ended 31 December 2024 and 2023.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2024 and 2023, as the Group did not have assessable profits subject to Hong Kong Profits Tax during both years.

The PRC EIT has been provided at the rate of 25% (2023: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the year ended 31 December 2024.

The withholding tax is calculated at the rate of 10% on total rental income derived prevailing in the PRC jurisdiction for both years.

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

11. EARNINGS/(LOSS) PER SHARE

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

	2024 HKD'000	2023 HKD'000
Profit/(loss) for the year attributable to the owners of the Company for the purpose of basic earnings/(loss) per share	<u>13,494</u>	<u>(151,730)</u>
Number of shares		
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>241,322</u>	<u>149,782</u>

The amount of diluted earnings/(loss) per share is the same as the amount of basic earnings/(loss) per share as there was no dilutive potential shares to be issued for the year ended 31 December 2024. During the year ended 31 December 2023, the computation of diluted loss per share for both years did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share. Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HKD'000	2023 HKD'000
Listed securities, at fair value:		
Equity securities listed in Hong Kong	<u>9,909</u>	<u>10,154</u>

The below table reconciled the equity securities listed in Hong Kong:

	2024 HKD'000	2023 HKD'000
At 1 January	10,154	66,197
Changes in fair value through other comprehensive income	<u>(245)</u>	<u>(56,043)</u>
At 31 December	<u>9,909</u>	<u>10,154</u>

As at 31 December 2024, the balance represents two (2023: two) listed equity securities which are listed on the Stock Exchange. Details are as follows:

	2024 HKD'000	2023 HKD'000
Equity securities listed in Hong Kong		
CMBC Capital Holdings Limited (“CMBC Capital”)	3,944	2,485
Central Wealth Group Holdings Limited (“Central Wealth”)	<u>5,965</u>	<u>7,669</u>
At 31 December	<u>9,909</u>	<u>10,154</u>

These were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature. The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the years ended 31 December 2024 and 2023, no dividends were received from those equity securities.

At 31 December 2024, the Group’s financial assets at FVTOCI, with carrying amount of approximately HKD9,909,000 (2023: HKD10,154,000), have been pledged to secure the other borrowings granted to the Group.

13. INVESTMENT IN CORPORATE BOND

	2024 HKD'000	2023 HKD'000
Current assets (2023: Non-current assets)		
Unlisted corporate bond issued by a Cayman Islands entity	<u>14,553</u>	<u>14,039</u>

The below table reconciled the financial asset at amortised cost:

	2024 HKD'000	2023 HKD'000
Principal amount	20,000	20,000
Add: accumulated interest incurred	3,275	1,775
Less: accumulated interest received	(750)	–
	22,525	21,775
Less: allowance for expected credit losses	(7,972)	(7,736)
At 31 December	14,553	14,039

On 26 October 2022, the Company entered into the subscription agreement with the independent third party (the “**Issuer**”) for the subscription for an unlisted corporate bond issued by a Cayman Islands entity (the “**Corporate Bonds**”), issued at the principal amount of HKD20,000,000, with 7.5% fixed rate per annum payable in semi-annually in arrears and maturity on 25 October 2025 with no redemption option.

The Issuer is an exempted segregated portfolio company incorporated in the Cayman Islands and is engaged in investments in Hong Kong including securities and bonds. The Issuer invested in debts by acquiring the debts from an independent third party at a discount to the face value of the debts, and will invest in undervalued securities and bonds targeting for capital gain.

The Group intended to hold and collect the repayments of principal and interest from the investment in corporate bond. As at 31 December 2024, the Group recognised provision for expected credit loss on investment in corporate bond amounted to approximately HKD7,972,000 (2023: HKD7,736,000).

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HKD'000	2023 HKD'000
Financial assets held for trading, at fair value:		
Equity securities listed in Hong Kong	76,233	62,542
An unlisted investment fund in Cayman Islands	38,720	26,291
Financial products in the PRC	368	–
	115,321	88,833

The below table reconciled the movement of financial assets at FVTPL during the year:

	2024 HKD'000	2023 HKD'000
At 1 January	88,833	120,033
Additions	117	64,744
Acquired through assets acquisition	256	–
Disposals	(2,411)	(40,729)
Changes in fair value	28,532	(55,215)
Exchange realignment	(6)	–
At 31 December	115,321	88,833

As at 31 December 2024 and 2023, the fair values of equity securities listed in Hong Kong were determined based on the quoted market closing prices on the Stock Exchange for listed equity securities. During the year ended 31 December 2024, the dividends received from these equity securities was approximately HKD323,000 (2023: HKD981,000).

At 31 December 2024, the Group's financial assets at FVTPL, with carrying amount of approximately HKD11,291,000 (2023: HKD15,594,000), have been pledged to secure the other borrowings granted to the Group.

15. LOAN AND INTEREST RECEIVABLES

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
Current	163,831	187,300
Non-current	–	10,978
	<u>163,831</u>	<u>198,278</u>
Representing:		
From money lending business (including interest receivables of approximately HKD16,857,000 (2023: HKD16,978,000))	170,863	213,272
Less: Allowance for expected credit losses	<u>(16,852)</u>	<u>(24,865)</u>
	<u>154,011</u>	<u>188,407</u>
Note receivables (including interest receivables of approximately HKD940,000 (2023: HKD582,000))	9,820	13,382
Less: Allowance for expected credit losses	<u>–</u>	<u>(3,511)</u>
	<u>9,820</u>	<u>9,871</u>
	<u>163,831</u>	<u>198,278</u>

The maturity profile of these loan and interest receivables and note receivables, net of credit loss allowances, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	2024 <i>HKD'000</i>	2023 <i>HKD'000</i>
On demand or within one year after the end of reporting period	163,831	187,300
More than one year, but not more than two years after the end of reporting period	<u>–</u>	<u>10,978</u>
	<u>163,831</u>	<u>198,278</u>

16. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2024 HKD'000	2023 HKD'000
Trade receivables, gross		17,319	2,277
Less: Allowance for expected credit losses		(5,455)	(665)
Trade receivables, net	(i)	11,864	1,612
Other receivables, gross		10,295	71,983
Less: Allowance for expected credit losses		(1,502)	(24,251)
Other receivables, net		8,793	47,732
Deposit and prepayment		2,237	3,537
Other tax recoverable		12,351	–
		35,245	52,881
Less: rental deposit classified as non-current asset		–	(249)
		35,245	52,632

Note:

(i) Trade receivables

As at 31 December 2024, trade receivables mainly comprise amounts receivable from hotel operation and ancillary business and property investment, management and agency services (2023: high technology business and trading business and related services). No interest was charged on trade receivables.

The following is an ageing analysis of trade receivables presented based on the invoice dates, which approximated the respective revenue recognition dates:

	2024 HKD'000	2023 HKD'000
0–30 days	10,518	290
31–90 days	650	580
91–180 days	940	300
181–360 days	2,450	600
Over 360 days	2,761	507
Less: Allowance for expected credit losses	(5,455)	(665)
	11,864	1,612

The following is an ageing analysis of trade receivables, net of credit loss allowances, presented based on the due dates:

	2024 HKD'000	2023 HKD'000
Not yet past due	10,352	290
Less than 30 days past due	331	580
31 days to 90 days past due	457	300
91 days to 180 days past due	724	442
	<u>11,864</u>	<u>1,612</u>

17. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Note	2024 HKD'000	2023 HKD'000
Trade payables	(i)	4,651	337
Other payables		19,798	3,440
Accruals		8,993	9,657
Other tax payables		1,553	–
Rental income received in advance		933	–
Rental deposits received		2,525	1,204
		<u>38,453</u>	<u>14,638</u>

Note:

(i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 days to 90 days (2023: 30 to 120 days) for the year. The ageing analysis of the trade payables based on invoice date is as follows:

	2024 HKD'000	2023 HKD'000
0–30 days	2,040	–
31–90 days	223	–
91–360 days	302	–
Over 360 days	2,086	337
	<u>4,651</u>	<u>337</u>

18. BANK BORROWINGS

	2024 HKD'000	2023 HKD'000
Secured bank borrowings	<u>217,368</u>	<u>276,783</u>
<i>Represented by:</i>		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	177,279	187,443
Carrying amount repayable within one year	<u>40,089</u>	<u>89,340</u>
	<u>217,368</u>	<u>276,783</u>

Bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	2024 HKD'000	2023 HKD'000
Within one year	40,089	89,340
More than one year, but within two years	10,406	9,694
More than two years, but within five years	33,243	31,279
More than five years	<u>133,630</u>	<u>146,470</u>
	<u>217,368</u>	<u>276,783</u>

As at 31 December 2024 and 2023, the bank borrowings bear interest at (i) 2.5% per annum below HKD Prime Rate; (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower; (iii) 2.5% per annum over HIBOR (1 week to 1 month). The weighted average effective interest rates per annum on the bank borrowings are as follows:

	2024	2023
Secured bank borrowings	<u>3.54% ~ 6.88%</u>	<u>3.50% ~ 6.72%</u>

At 31 December 2024, the Group's bank borrowings are secured by the investment properties amounting to approximately HKD564,000,000 (2023: HKD604,000,000).

19. OTHER BORROWINGS

	Notes	2024 HKD'000	2023 HKD'000
Other borrowings due to:			
Securities Broker A	(i)	50,283	50,283
Securities Broker B	(ii)	34,906	34,906
Central Wealth Securities Investments Limited ("CWSI")	(iii)	690	2,930
Loans from directors of subsidiaries	(iv)	86,734	–
Loans from individual third parties	(v)	208,824	–
		<u>381,437</u>	<u>88,119</u>
Represented by:			
Carrying amount of the other borrowings that are repayable within one year from the end of the reporting period and contain a repayment on default clause		85,879	88,119
Carrying amount repayable within one year		<u>1,774</u>	<u>–</u>
Current liabilities		<u>87,653</u>	<u>88,119</u>
More than one year, but within two years		13,307	–
More than two years, but within five years		117,468	–
More than five years		<u>163,009</u>	<u>–</u>
Non-current liabilities		<u>293,784</u>	<u>–</u>
		<u>381,437</u>	<u>88,119</u>

Notes:

(i) Securities Broker A

On 26 March 2018, a wholly owned subsidiary of the Group, Golden Horse Hong Kong Investment Limited (the "Golden Horse") entered into a margin loan account client agreement (the "Margin Loan Agreement A") with Securities Broker A, an independent securities broker. Pursuant to the Margin Loan Agreement A, Securities Broker A provided a margin loan facility to the Group up to HKD82,000,000 (2023: HKD82,000,000).

At 31 December 2024, the Group has utilised approximately HKD50,283,000 (2023: HKD50,283,000) of the margin loan facility granted by Securities Broker A. The loan was interest free (2023: interest free effective from June 2023, resulting an average interest rate of 3.125% per annum).

(iii) Securities Broker B

On 8 June 2018, Golden Horse entered into a revolving loan account client agreement (the "Revolving Loan Agreement") with Securities Broker B, an independent authorised financial institution. Pursuant to the Revolving Loan Agreement, Securities Broker B provided a revolving loan facility to the Group up to HKD35,000,000 (2023: HKD35,000,000) at an interest rate of HKD Prime Rate – 2% per annum. At 31 December 2024, the Group has utilised approximately HKD34,906,000 (2023: HKD34,906,000) of the margin loan facility granted by Securities Broker B.

(iii) **CWSI**

In 2018, the Company entered into certain services agreements with CWSI, a subsidiary of Central Wealth Group Holdings Limited (the “**Margin Financier**”). Pursuant to the services agreements, the Margin Financier provided a margin loan facility to the Group with daily maximum amounts not exceeding HKD100,000,000 and margin loan interest not exceeding HKD8,000,000 per annum and at fixed interest rate of 8% per annum. The other borrowings due to the Margin Financier would be repayable on demand and may be varied or terminated in the absolute discretion of the Margin Financier. At as 31 December 2024, the Group has utilised approximately HKD690,000 (2023: HKD2,930,000) of the margin loan facility granted by CWSI.

(iv) **Loans from directors of subsidiaries**

Changzhi City Ziyu Materials Company Limited* (長治市紫裕物資有限公司), an indirect wholly owned subsidiary of the Company, had a loan from a director of the subsidiary with loan balance amounted to approximately of RMB90,810,000 (equivalent to HKD96,640,000), which is unsecured and bear fixed interest rate at 3.95% per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 31 May 2034. As at 31 December 2024, the carrying amount of the loan was approximately HKD76,075,000 with the effective interest rate of 8.33%.

Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“**MLH Property**”), an indirect wholly owned subsidiary of the Company entered into a loan agreement with a director of the subsidiary in October 2024 with loan balance amounted to approximately of RMB13,000,000 (equivalent to HKD14,087,000), which is unsecured and bear fixed interest rate at 4% per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 30 September 2034. The loan agreement is regarded as substantial modification of existing financial liabilities. The gain on substantial modification of HKD3,449,000 is recognised in profit or loss. The effective interest rate is 8.32%.

(v) **Loans from individual third parties**

The Group entered into certain loan agreements with certain individual third parties in October 2024 with aggregate loan balances amounted to approximately of RMB250,499,000 (equivalent to HKD269,970,000), which are unsecured and bear fixed interest rate at 4% per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 30 September 2034. The loan agreements are regarded as substantial modification of existing financial liabilities. The gain on substantial modification of HKD61,757,000 is recognised in profit or loss. The effective interest rates are ranged from 7.78% to 8.31%.

20. PROMISSORY NOTE

The Group issued a promissory note with principal of HKD13,600,000 for the settlement of part of the consideration for the acquisition of assets during the year. The promissory note will be matured on 31 July 2027 and bears a fixed interest at 5% per annum which is payable annually in arrears. The net carrying amount of approximately HKD13,887,000 as at 31 December 2024, of which approximately HKD287,000 accrued interest and HKD13,600,000 outstanding principal was classified as current liabilities.

On 21 February 2025, the promissory note was settled by issuance of 23,188,310 shares of the Company at the price of approximately HKD13,913,000 in aggregate (i.e. HKD0.6 per share).

21. BOND PAYABLES

The Group issued bond at principal amount of HKD42,200,000 with original maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime rate and is payable quarterly in arrears. On 27 December 2024, the Group has extended the maturity date to 4 April 2025 with the bondholder.

The net carrying amount of approximately HKD44,857,000 as at 31 December 2024 (2023: HKD45,572,000), of which approximately HKD2,657,000 (2023: HKD3,552,000 included in other payables) accrued interest was classified as current liabilities and HKD42,200,000 outstanding principal was classified as current liabilities as at 31 December 2024 (2023: non-current liabilities).

22. SHARE CAPITAL

	Number of ordinary shares (Note (i))	Number of preference shares	Amount HKD'000
Share capital			
Ordinary shares of HKD0.4 each			
Authorised:			
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	623,700,000	1,300,000	250,000
Issued and fully paid:			
At 1 January 2023	116,095,491	–	46,438
Issuance of share upon rights issue (Note (ii))	116,095,491	–	46,438
At 31 December 2023 and 1 January 2024	232,190,982	–	92,876
Issuance of shares (Note (iii))	21,700,000	–	8,680
At 31 December 2024	253,890,982	–	101,556

Notes:

- (i) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.
- (ii) On 16 June 2023, the Company announced the proposed rights issue on the basis of one rights share for every one ordinary shares at the subscription price of HKD0.6 per rights share. Pursuant to the underwriter agreement entered with an independent placing agent, CWSI on 16 June 2023, shares to be underwritten by the underwriter shall be equivalent to the number of the rights issue.

The rights issue and placing for those unsubscribed rights shares were completed on 3 October 2023, and 116,095,491 rights shares, including those unsubscribed rights shares issued through placing, were allotted and issued to the shareholders accordingly. The net proceeds after deducting the related expenses approximately HKD3,691,000, amounted to approximately HKD65,966,000. Accordingly, the Company's share capital increased by approximately HKD46,438,000 and the remaining balance of the net proceeds of approximately HKD19,528,000 was credited to the share premium account.

- (iii) During the year ended 31 December 2024, the Company allotted and issued in total 21,700,000 shares and accounted for share capital of approximately HKD8,680,000 and share premium of approximately HKD6,510,000, respectively for the purpose of acquisition of assets.

23. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2024

- (a) *Acquisitions of subsidiaries accounted for as business combination – Shanxi Ronghuitong Juntong Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) (“SR Juntong”) and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) (“SR Hotel Management”)*

On 29 December 2023, Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司) (“SZ Baiyi”), a wholly-owned subsidiary of the Company, entered into the first equity transfer agreement with a vendor (“Vendor A”), SR Hotel Management and SR Juntong, who are independent to the Group. Pursuant to the agreement, SZ Baiyi agreed to acquire, and Vendor A and SR Hotel Management have agreed to sell, 40% and 60% equity interest in SR Juntong at a cash considerations of RMB1 and RMB2,500,000 respectively, which was RMB2,500,001 (equivalent to approximately HKD2,721,000) in aggregate.

On the same date, SZ Baiyi entered into the second equity transfer agreement with another independent vendor (“Vendor B”) and SR Hotel Management, pursuant to which SZ Baiyi has conditionally agreed to acquire, and Vendor B has conditionally agreed to sell 100% equity interest in SR Hotel Management at a cash consideration of RMB15,400,000 (equivalent to approximately HKD16,764,000).

The acquisitions of the entire equity interests in SR Juntong and SR Hotel Management were completed on 5 March 2024 and 12 March 2024 respectively. Upon the completion of acquisitions, SR Juntong and SR Hotel Management became indirectly wholly-owned subsidiaries of the Company. The principal activities of SR Juntong and SR Hotel Management are hotel operation and ancillary business in the PRC. As at the dates of completion of acquisitions, each of SR Juntong and SR Hotel Management had secured a management contract with two 4 to 5-star hotels in the PRC respectively, and SR Hotel Management had carried out certain hotel ancillary businesses. The acquisitions provided a platform for the Group to expand, explore and capitalise in the new market of hotel business in the PRC. This acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets acquired and liabilities assumed of SR Juntong and SR Hotel Management at the date of acquisitions, were as follows:

	<i>HKD’000</i>
Property, plant and equipment	6,851
Inventories	3,045
Trade and other receivables (<i>Note</i>)	8,287
Cash and bank balances	3,605
Trade payables, accruals and other payables	(3,538)
Contract liabilities	(327)
	<hr/>
Total identifiable assets	17,923
Add: Goodwill	1,562
Less: Consideration receivable from SZ Baiyi to SR Hotel Management in relation to acquisition of 60% equity interest in SR Juntong	(2,721)
	<hr/>
Total consideration to be satisfied by cash (<i>Note</i>)	<u>16,764</u>

Cashflow movement in relation to acquisition of the SR Junting and the SR Hotel Management during the year ended 31 December 2024:

HKD'000

Cash and bank acquired – net cash inflow on acquisition	3,605
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Note: Included in trade and other receivables and total consideration to be satisfied by cash of RMB2,500,000 (equivalent to approximately HKD2,721,000) was the inter-company receivables from SZ Baiyi to SR Hotel Management in relation to the acquisition of 60% equity interest in SR Junting, resulting in net cash consideration payable of RMB15,400,001 (equivalent to approximately HKD16,764,000) in relation to the acquisitions. The cash consideration payable to Vendor B of RMB15,400,000 (equivalent to HKD16,764,000) was then assigned to a director of the Company, Mr. Lai Long Wai (“**Mr. Lai**”), on 31 December 2024 and included in loans from a director as at 31 December 2024.

Acquisition-related costs amounting to approximately HKD702,000 are excluded from the consideration transferred and have been recognised as an expense in current year, within the administrative expense in the consolidated statement of profit or loss and other comprehensive income.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition dates, SR Junting and SR Hotel Management have contributed approximately HKD43,580,000 to the Group’s revenue and a loss of approximately HKD11,967,000 to the overall result of the Group for the year ended 31 December 2024.

If the acquisition had occurred on 1 January 2024, the Group’s revenue would have been approximately HKD89,208,000 and the profit of the Group would have been approximately HKD8,955,000 for the year ended 31 December 2024. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

(b) Acquisitions of assets through acquisitions of subsidiaries – MLH Property and Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) (“Zhi Ying Property”)

On 18 March 2024, SZ Baiyi entered into the first sale and purchase agreement with an independent vendor (“**Vendor C**”), pursuant to which SZ Baiyi has conditionally agreed to acquire and take assignment of, and Vendor C has conditionally agreed to sell and assign, the 100% equity interest in MLH Property and the shareholder’s loan at considerations of RMB3,400,000 (equivalent to approximately HKD3,674,000) and RMB32,000,000 (equivalent to approximately HKD34,584,000) respectively. As at the date of the first sale and purchase agreement, MLH Property had 90% equity interest of Zhi Ying Property.

On the same date, MLH Property entered into the second sale and purchase agreement with an independent vendor (“**Vendor D**”), pursuant to which MLH Property has conditionally agreed to acquire, and Vendor D has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000 (equivalent to approximately HKD4,274,000).

The acquisition of 100% equity interest in MLH Property was completed on 6 May 2024. Upon the completion of acquisition, MLH Property became an indirectly wholly-owned subsidiary of the Company, and Zhi Ying Property became an indirectly non wholly-owned subsidiary of the Company. The acquisition of 10% equity interest in Zhi Ying Property was completed on 11 September 2024.

The acquisition of 10% equity interest in Zhi Ying Property resulted in changes of equity interest in a subsidiary without the change of control with its fair value was approximately RMB4,532,000 (equivalent to approximately HKD4,934,000). The difference between the consideration of approximately RMB3,900,000 (equivalent to approximately HKD4,274,000) and the fair value was credited to accumulated losses amounted to approximately RMB632,000 (equivalent to approximately HKD660,000).

The principal activities of MLH Property and Zhi Ying Property are real estate and property management which held 19 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a group of similar identifiable assets (being the group of 19 properties) and concluded the acquisitions were accounted for as acquisitions of assets by applying the optional concentration test in accordance with HKFRS 3 “Business Combinations”. The acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

The fair values of identifiable assets acquired and liabilities assumed of MLH Property and Zhi Ying Property, at the date of acquisition in May 2024, were as follows:

	<i>HKD’000</i>
Investment properties	126,945
Property, plant and equipment	2,712
Trade and other receivables	11,214
Financial assets at FVTPL	256
Cash and bank balances	4,100
Trade, accruals and other payables	(79,472)
Contract liabilities	(3,565)
Lease liabilities	(18,435)
Shareholder’s loan	(34,584)
Tax payables	(436)
	<hr/>
Total identifiable net assets	8,735
Non-controlling interest (<i>Note (i)</i>)	(5,061)
	<hr/>
Net assets acquired by the Group	3,674
Add: assignment of shareholder’s loan	34,584
	<hr/>
Total consideration to be satisfied by cash (<i>Note (ii)</i>)	38,258
	<hr/> <hr/>

Cashflow movement in relation to acquisitions of the MLH Property and the Zhi Ying Property during the year ended 31 December 2024:

	<i>HKD’000</i>
Cash and bank acquired – net cash inflow on acquisition	4,100
	<hr/> <hr/>
Cash consideration paid for acquisition of 10% equity interest in Zhi Ying Property	4,274
	<hr/> <hr/>

Notes:

- (i) Non-controlling interest represented the 10% fair value of the identifiable net assets of Zhi Ying Property at the date of acquisition in May 2024, which was acquired in September 2024.
- (ii) The cash consideration payable to Vendor C of RMB35,400,000 (equivalent to approximately HKD38,258,000) was then assigned to Mr. Lai on 31 December 2024 and included in loans from a director as at 31 December 2024.

(c) Acquisitions of assets through acquisitions of subsidiaries – Shenzhen Meilianhang Property Management Co., Ltd.* (深圳市美鏈行物業管理有限公司) (“SZ Meilianhang”)

On 2 October 2024, Shenzhen Xingguanghui Property Management Co., Ltd.* (深圳星光輝物業管理有限公司) (“SZ Xingguanghui”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent vendor (“Vendor E”), pursuant to which SZ Xingguanghui has conditionally agreed to acquire and Vendor E has conditionally agreed to sell, the 100% equity interest in SZ Meilianhang at a consideration of RMB15,000,000 (equivalent to approximately HKD16,382,000).

The acquisition of 100% equity interest in SZ Meilianhang was completed on 29 October 2024. Upon the completion of acquisition, SZ Meilianhang became an indirectly wholly-owned subsidiary of the Company.

The principal activities of SZ Meilianhang are real estate and property management which held 6 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a group of similar identifiable assets (being the group of 6 properties) and concluded the acquisitions were accounted for as acquisitions of assets by applying the optional concentration test in accordance with HKFRS 3. The acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

The fair values of identifiable assets acquired and liabilities assumed of Shenzhen Meilianhang, at the date of acquisition, were as follows:

	<i>HKD’000</i>
Investment properties	181,855
Property, plant and equipment	1,626
Other receivables	9,580
Cash and bank balances	1,788
Accruals and other payables	(178,467)
	<hr/>
Net assets acquired by the Group	16,382
	<hr/> <hr/>
Total consideration to be satisfied by cash (<i>Note</i>)	16,382
	<hr/> <hr/>

Cashflow movement in relation to acquisition of the Shenzhen Meilianhang during the year ended 31 December 2024:

HKD'000

Cash and bank acquired – net cash inflow on acquisition	1,788
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Note: The cash consideration payable to Vendor E of RMB15,000,000 (equivalent to HKD16,382,000) was then assigned to Mr. Lai on 31 December 2024 and included in loans from a director as at 31 December 2024.

(d) Acquisitions of assets through acquisitions of subsidiaries – Elite Holdings International Limited (“Elite Holdings”)

On 26 June 2024, the Company entered into the sales and purchase agreement with an independent third party (the “**Vendor F**”), pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the Vendor F has conditionally agreed to sell and assign, the entire equity interest in Elite Holdings and the shareholder’s loan at considerations of RMB1,774,700 (equivalent to approximately HKD1,908,000) and RMB25,000,000 (equivalent to approximately to HKD26,882,000), respectively.

The consideration shall be satisfied by the Company upon the completion of the sales and purchase agreement (i) as to RMB14,126,700 by the allotment and issue of 21,700,000 consideration shares to the Vendor F at the issue price of HKD0.7 per consideration share; and (ii) the balance of RMB12,648,000 by the issue of the promissory note in the principal amount of HKD13,600,000 to the Vendor F (or its designated entity).

The acquisition of 100% equity interest in Elite Holdings was completed on 31 July 2024. Upon the completion of acquisition, Elite Holdings became an indirect wholly-owned subsidiary of the Company.

The principal activity of Elite Holdings is property management and its sole material asset is a 9-floor building in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a single identifiable asset and concluded the acquisition was accounted for as acquisitions of asset by applying the optional concentration test in accordance with HKFRS 3. The acquisition is in light of the favourable prospect of the hotel industry in the PRC, accompanied by incentive policies fostering tourism by the government in the PRC and diversified the Group’s property investment portfolio in the PRC.

The fair values of identifiable assets acquired and liabilities assumed of Elite Holdings, at the date of acquisition, were as follows:

	<i>HKD'000</i>
Property, plant and equipment	147,359
Right-of-use asset	18,634
Trade and other receivables	782
Cash and bank balances	110
Accruals and other payables	(57,935)
Other borrowings	(74,331)
Shareholder's loan	(26,882)
Deferred tax liabilities	(5,829)
	<hr/>
Net assets acquired by the Group	1,908
Add: assignment of shareholder's loan	26,882
	<hr/>
Total consideration to be satisfied	28,790
	<hr/> <hr/>
Total consideration to be satisfied by:	
Issuance of shares by the Company	15,190
Issuance of promissory note	13,600
	<hr/>
	28,790
	<hr/> <hr/>

Cashflow movement in relation to acquisitions of the Elite Holdings during the year ended 31 December 2024:

	<i>HKD'000</i>
Cash and bank acquired – net cash inflow on acquisition	110
	<hr/> <hr/>

(e) Acquisitions of subsidiaries accounted for as business combination – Excelerate Holding Limited (the “Excelerate”)

On 26 June 2024, the Company entered into the sales and purchase agreement with an independent vendor (“**Vendor G**”), pursuant to which the Company has conditionally agreed to acquire, and the Vendor G has conditionally agreed to sell, the entire issued share capital in Excelerate at the consideration of HKD2,000,000 of which HKD1,000,000 shall be settled by cash upon completion and HKD1,000,000 shall be settled by the allotment and issue of 1,428,600 new shares at the issue price of HKD0.7 per new share by the Company to the Vendor G upon completion.

The Excelerate is the holding company of Excelerate Fund Management Limited, a corporation licensed to carry on Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The acquisition was completed on 28 January 2025. Immediately following the completion of acquisition, the financial results, assets and liabilities of Excelerate will be consolidated into the consolidated financial statements of the Group.

Up to the date of these consolidated financial statements are authorised for issue, the initial accounting for this business combination is incomplete and it is not practicable to provide an estimate of financial effect of the above acquisition until the Group has performed a detailed review.

24. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2024

Disposal of Topsky Eagle Limited (the “Topsky”)

On 15 April 2024, Alpha Idea Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser, who is independent to the Group. The purchaser has conditionally agreed to acquire and Alpha Idea Holdings Limited has conditionally agreed to sell the entire equity interest in Topsky, an indirectly wholly-owned subsidiary of the Company, and to take assignment of the intercompany loans provided by the Group to the Topsky, at a consideration of HKD38,000,000. Topsky is the legal and beneficial owner of the property located at G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong. The disposal was completed on 10 July 2024.

The principal activity of Topsky is property investment in Hong Kong.

The breakdown of assets/(liabilities) of Topsky at the completion date of disposal and the consideration of disposal are as follow:

	<i>HKD'000</i>
Investment property	38,500
Intercompany loans	<u>(43,488)</u>
Net liabilities of Topsky disposed of	(4,988)
Less: assignment of intercompany loans	43,488
Loss on disposal of subsidiaries	<u>(500)</u>
Total consideration to be satisfied by cash	<u><u>38,000</u></u>

Cashflow movement in relation to the disposal during the year ended 31 December 2024:

	<i>HKD'000</i>
Cash consideration received	<u><u>38,000</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group's revenue for the year ended 31 December 2024 has increased to approximately HKD84,458,000, which is 116.8% higher compared with the revenue of approximately HKD38,948,000 for the year ended 31 December 2023. The increase in revenue was mainly attributable to the increase in revenue of the segments of the hotel operation and ancillary services and property investment, management and agency services.

The Group recorded a net profit of approximately HKD13,331,000 for the year ended 31 December 2024 (2023: net loss of approximately HKD152,531,000). The net profit was mainly attributable to (i) the increase in revenue to HKD84 million for the year ended 31 December 2024 (2023: HKD39 million); (ii) the gain on substantial modification of other borrowings of approximately HKD65,206,000 for the year ended 31 December 2024 (2023: Nil); (iii) a reversal of credit loss allowance on other receivables of approximately HKD22,744,000 for the year ended 31 December 2024 (2023: provision for credit loss allowance of approximately HKD12,195,000); (iv) fair value loss of investment properties of approximately HKD58,399,000 for the year ended 31 December 2024 (2023: approximately HKD67,069,000); and (v) the increase in fair value of financial assets at fair value through profit or loss of approximately HKD28,532,000 for the year ended 31 December 2024 (2023: decrease in approximately HKD55,215,000).

The Group recorded a net profit of approximately HKD13,494,000 attributable to shareholders of the Company (2023: net loss of approximately HKD151,730,000) and basic and diluted earnings per share attributable to the owners of the Company of HKD0.06 for the year ended 31 December 2024 (2023: basic and diluted loss per share HKD1.01).

BUSINESS REVIEW

The business of the Group are divided into property investment, management and agency services, hotel operation and ancillary business, securities trading and investment, provision of financing services, securities brokerage business and high technology business.

Property investment, management and agency

As at 31 December 2024, the details of the Group's investment property portfolio are as follows:

Address	Market value as at 31 December 2024 HKD'000
1. No. 1, Lincoln Road, Kowloon Tong, Hong Kong	312,000
2. No. 19, Cumberland Road, Kowloon Tong, Hong Kong	252,000
3. 19 retail units located on Building Nos. 1, 2, 4 of Fortune Town, Liuyue Community, Longgang District, Shenzhen, the PRC	106,420
4. No. 301, Unit 2, Building No. 6, Luding No. 9 Yuan, No. 9 East Street, Changzhi City, Shanxi Province, the PRC	5,129
5. Room 601, 6/F, Unit 1, Building No. 2, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	1,043
6. Room 601, 6/F, Unit 2, Building No. 1, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	968
7. Room 1701, 17/F, Unit 2, Building No. 2, Jinxiang Neighborhood, Changzhi City, Shanxi Province, the PRC	1,447
8. Room 2302, Unit 2, Building No. 3, Huaxiyuan, Luzhou District, Changzhi City, Shanxi Province, the PRC	1,277
9. No. 2702, 27/F, Unit 2, Building No. 5, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	4,608
10. Shop No. 1002, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	9,322
11. Building No. 5 and No. 6, Qianfengshijia, Lot D-06, Kangzhuang Industrial Park, Tuenliu District, Changzhi City, Shanxi Province, the PRC City, Shanxi Province, the PRC	12,388
12. Room 3403 and Car Parking Space No. 575, No. 1, Lane 258, Puming Road, Fortune Seascape Garden, Pudong New District, Shanghai, the PRC	49,806
13. Room 706–709, Building No. 1, Dongsha Holiday Hotel, No. 1288 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	4,023
14. Unit 2, Building No. 11, Dongfangrunyuan, Lincheng Street, Dinghai District, Zhoushan City, Zhejiang Province, the PRC	4,938
15. Building No. 30 and No.33, Wentao Yuan, Dongsha Resort, No. 1289 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	2,490

Address	Market value as at 31 December 2024 HKD'000	
16. Room 1801, Residential Building No. 6, Phase II, Haishangdaduhui, Xincheng Road, Tianya District, Sanya City, Hainan Province, the PRC		7,205
17. Unit 22A, Block B, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC		14,792
18. Unit 36H, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC		18,305
19. Unit 36F, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC		18,240
20. Room 5701, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC		12,004
21. Room 5702, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC		16,261
22. Room 101, Block 9, No. 520 Linqi Lane, Gaoxin District, Zhuhai City, Guangdong Province, the PRC		101,344
Subtotal		956,010
23. Real Estate Ownership No. 0006525 and 0006526 (JIN 2020), Shiji Yilongwan Community, West 1st Ring Road, Luzhou District, Changzhi City, Shanxi Province, the PRC (<i>Note</i>)		15,404
Total		971,414

Note: This property is leased from third parties under operating leases and earns rental income through subleasing.

In May 2024, the Group completed the acquisition of the entire equity interests in Shanxi Mei Lian Hang Property Management Co., Ltd.* (山西美聯行物業管理有限公司) (“**MLH Property**”) and together its subsidiaries, the “**MLH Group**”) (the “**MLH Acquisition**”). MLH Group owns and manages properties numbered 4–16 and 23, which are located across provinces and cities in the PRC, including Shanxi Province, Hainan Province, Zhejiang Province and Shanghai.

In October 2024, the Group completed the acquisition of the entire equity interests in Shenzhen Meilianhang Property Management Co., Ltd.* (深圳美鏈行物業管理有限公司) (“**Meilianhang Property**”) (the “**Meilianhang Acquisition**”). Meilianhang Property owns and manages properties numbered 17–22, which are located in Guangdong Province, the PRC.

The MLH Acquisition and Meilianhang Acquisition represent an opportunity to expand the Group's service offerings to property agency and property management and diversify the Group's property investment portfolio in the aforementioned regions in the PRC. In addition, the Group may reap the benefits from the long term potential appreciation of the properties held by the MLH Group and Meilianhang Property.

In July 2024, the Group completed the disposal of all issued shares of Topsky Eagle Limited (天鷹有限公司) (“**Topsky**”) and to take assignment of the intercompany loans provided by the Group to Topsky, at a consideration of HKD38,000,000. Topsky is the legal and beneficial owner of the property located in G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong. As a result, the Group realised its investment into cash.

During the Year, the Group recorded rental income of approximately HKD8,881,000 (2023: approximately HKD6,679,000). The Group also recorded a fair value loss of approximately HKD58,399,000 (2023: approximately HKD67,069,000) on investment properties, which was primarily due to the poor sentiment in the real estate market. In addition, after the MLH Acquisition, the Group recorded commission income from property agency service of HKD15,819,000 (2023: Nil) and property management services income of HKD6,454,000 (2023: Nil) during the Year.

The Group will continue to look for opportunities to expand and optimise its investment property portfolio with the aim of generating stable rental income and/or capital appreciation.

Hotel operation and ancillary business

With the expected recovery in tourism in China, especially in second to third tier cities in the PRC, in March 2024, the Group commenced its hotel operation and ancillary business through acquiring the entire interests in Shanxi Ronghuitong Junting Hotel Co., Ltd.* (山西融匯通君亭酒店有限公司) (“**SR Junting**”) and Shanxi Ronghuitong Hotel Management Co., Ltd.* (山西融匯通酒店管理有限公司) (“**SR Hotel Management**”), which are principally engaged in hotel management and operation in the PRC (the “**Hotel Operations Acquisitions**”).

SR Hotel Management manages the hotel operation of Hampton by Hilton Changzhi Luzhou (長治潞州希爾頓歡朋酒店) by entering into a long term hotel management agreement with 歡朋酒店管理（廣州）有限公司. The Hampton by Hilton Changzhi Luzhou has commenced its business by soft opening in July 2024. The hotel property is owned by the Group upon the completion of the acquisition of Elite Holdings Limited on 31 July 2024.

SR Junting runs the hotel operation of Ronghuitong Junting Hotel (融匯通君亭酒店) by entering into a hotel management agreement with SSAW Hotels & Resorts Co., Ltd. (君亭酒店集團股份有限公司). The Ronghuitong Junting Hotel has commenced its business by soft opening in July 2024. The hotel property is owned by an independent third party and SR Junting has entered into a long term lease with the property owner.

Having established dedicated management and operational teams for the acquired hotels, the Group has successfully commenced ancillary business operations in Shanxi, the PRC. Building on our core competencies in hotel service management, we are currently providing catering and cleaning services to local corporate clients during the Year, effectively leveraging existing operational resources and industry expertise. These value-added services now form an integrated component of our expanded hospitality operations.

During the Year, the Group recorded segment revenue of approximately HKD43,580,000 (2023: Nil) and a segment loss of approximately HKD5,382,000 (2023: Nil).

Securities trading and investment

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**Financial Assets at FVTOCI**”) and financial assets at fair value through profit or loss (“**Financial Assets at FVTPL**”) in the consolidated financial statements. As at 31 December 2024, the Group’s securities trading portfolio comprised equity securities of seven companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), namely Central Wealth Group Holdings Limited (“**Central Wealth**”, stock code: 139), CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Shandong Hi-Speed Holdings Group Limited (“**SDHG**”, stock code: 412), Shanghai Conant Optical Co., Ltd (“**SH Optical**”, stock code: 2276), LX Technology Group Limited (“**LX Tech**”, stock code: 2436), Fenbi Ltd. (“**Fenbi**”, stock: 2469) and HG Semiconductor Limited (“**HG**”, stock code: 6908).

As at 31 December 2024, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2024	Market value of the interests as at 31.12.2024 <i>HKD'000</i>	Market value of the interests as at 31.12.2023 <i>HKD'000</i>	Fair value gain/(loss) for the Year <i>HKD'000</i>
FVTOCI					
Central Wealth (Stock code: 139)	426,061,316	2.465%	5,965	7,669	(1,704)
CMBC Capital (Stock code: 1141)	7,890,000	0.718%	3,944	2,485	1,459
Subtotal			9,909	10,154	(245)

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2024	Market value of the interests as at 31.12.2024 HKD'000	Market value of the interests as at 31.12.2023 HKD'000	Fair value gain/(loss) for the Year HKD'000
FVTPL					
Central Wealth (Stock code: 139)	501,214,000	2.900%	7,017	9,139	(2,044)
SDHG (Stock code: 412)	6,310,500	0.105%	40,955	40,763	2,522
SH Optical (Stock code: 2276)	1,020,000	0.239%	25,398	7,201	18,197
LX Tech (Stock code: 2436)	540,000	0.153%	1,987	4,104	(2,117)
Fenbi (Stok code: 2469)	240,000	0.011%	615	1,102	(488)
HG (Stock code: 6908)	390,000	0.052%	261	233	28
Investment fund in Cayman Islands	N/A	N/A	38,720	26,291	12,430
Financial product in the PRC	N/A	N/A	368	–	4
Subtotal			115,321	88,833	28,532
Total			125,230	98,987	28,287

As at 31 December 2024, the Group held securities investment portfolio with market value of approximately HKD125,230,000 (31 December 2023: HKD98,987,000). As at 31 December 2024, none of the investments held by the Group the value of which was more than 5% of the total assets of the Group.

Performance and prospects of the major investees

Central Wealth

Central Wealth and its subsidiaries (the “**Central Wealth Group**”) are currently licensed under the Securities and Futures Commission (“**SFC**”) to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. In addition, the Central Wealth Group also engages in money lending business under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (the “**Money Lenders Ordinance**”), financial investments and the Chinese medicine clinics business.

As mentioned in Central Wealth's annual result announcement for year ended 31 December 2024, the Central Wealth Group recorded a revenue of approximately HKD75.7 million for the year ended 31 December 2024, representing a decrease of approximately 16.0% from approximately HKD90.2 million for the year ended 31 December 2023. Loss after tax of approximately HKD83.1 million was recorded for the year ended 31 December 2024, representing a decrease of approximately 37.9% from approximately HKD133.9 million for the year ended 31 December 2023. The basic and diluted loss per share attributable to owners of the Central Wealth Group for the year ended 31 December 2024 were HKD0.49 cent (31 December 2023: HKD0.8 cent).

The closing price of Central Wealth was HKD0.014 as at 31 December 2024 (31 December 2023: HKD0.018).

CMBC Capital

CMBC Capital and its subsidiaries (the “**CMBC Capital Group**”) are currently licensed under SFC to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. In addition, the CMBC Capital Group also engages in financing and money lending business with the capacity as “exempted persons” defined in the Money Lenders Ordinance (no license required pursuant to the Money Lenders Ordinance). China Minsheng Banking Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016), was a substantial shareholder holding over 60% of the issued shares of CMBC Capital as at 31 December 2024.

As mentioned in CMBC Capital's annual result announcement for the year ended 31 December 2024, the CMBC Capital Group recorded a revenue of approximately HKD346.5 million for the year ended 31 December 2024, representing a decrease of approximately 29.8% from approximately HKD493.9 million for the year ended 31 December 2023. Profit after tax of approximately HKD50.8 million was recorded for the year ended 31 December 2024, compared to loss after tax approximately HKD572.3 million for the year ended 31 December 2023. The basic and diluted earnings per share attributable to owners of the CMBC Capital Group for the year ended 31 December 2024 were HKD4.59 cents (31 December 2023: loss per share of HKD51.04 cents).

The closing price of CMBC Capital was HKD0.500 as at 31 December 2024 (31 December 2023: HKD0.315).

SDHG

SDHG and its subsidiaries (the “**SDHG Group**”) are principally engaged in industrial investment, standard investment business, non-standard investment business and license financial services.

As mentioned in SDHG’s interim report for the year ended 31 December 2024, the SDHG Group recorded a revenue of approximately RMB5,580.9 million for the year ended 31 December 2024, representing an increase of approximately 11.7% from approximately RMB4,998.3 million for the year ended 31 December 2023. Profit after tax of approximately RMB692.8 million was recorded for the year ended 31 December 2024, representing an increase of approximately 39.9% from approximately RMB495.1 million for the year ended 31 December 2023. The basic and diluted loss per share attributable to owners of the SDHG Group for the year ended 31 December 2024 were RMB0.90 cents (31 December 2023: RMB0.22 cents).

The closing price of SDHG was HKD6.49 as at 31 December 2024 (31 December 2023: HKD6.07).

SH Optical

SH Optical and its subsidiaries (the “**SH Optical Group**”) are principally engaged in manufacture and sale of resin spectacle lenses.

As mentioned in SH Optical’s interim report for the six months ended 30 June 2024, the SH Optical Group recorded a revenue of approximately RMB976.4 million for the six months ended 30 June 2024, representing an increase of approximately 17.5% from approximately RMB831.2 million for the six months ended 30 June 2023. Profit after tax of approximately RMB208.7 million was recorded for the six months ended 30 June 2024, representing an increase of approximately 31.6% from approximately RMB158.6 million for the six months ended 30 June 2023. The basic and diluted earnings per share attributable to owners of the SH Optical Group for the six months ended 30 June 2024 were RMB0.50 (30 June 2023: RMB0.37).

The closing price of SH Optical closed was HKD24.90 as at 31 December 2024 (31 December 2023: HKD7.06).

Provision of financing services

The Group provides financial services through its wholly-owned subsidiary Globally Finance Limited (“**Globally Finance**”), a company incorporated in Hong Kong and the holder of a valid money lender’s license under the Money Lenders Ordinance during the Year. Globally Finance is principally engaged in loan financing business by providing secured and unsecured loans to its customers. All money lending transactions to borrowers are financed by the Group’s internal funds.

The Group reaches out to potential individual and corporate customers through the business and social networks of its management. Referrals of borrowers from existing clients are also welcomed. Globally Finance assesses the creditworthiness of each potential customers based on its credit policies and procedures to evaluate their loan applications.

While there are no specific industry requirements for corporate customers, corporate customers which are listed on the Main Board of the Stock Exchange are preferred. Updated financial statements from corporate customers are required for the approval of loans. There is no specific industry background requirements for individual borrowers. However, through the network of the management, existing individual borrowers are mainly merchants engaged in property investment industry. The Group requests that individual borrowers to have stable incomes, free from any secured loan products (except self-residential mortgage) under other banks or financial institutions or unsecured loan products under financial institutions (except banks) by customers' declaration.

The Group adhered to its effective comprehensive policy and prudent procedures relating to loan approvals, renewals, top-ups, recovery, compliance, monitoring and anti-money laundering.

Globally Finance is managed by its sole director who has years of experience in accounting, corporate development and/or financial management experience and has overseen the business operations of Globally Finance. All loans are required to be approved by the director of Globally Finance.

Interest income from the Group's money lending business during the Year amounted to approximately HKD9,401,000, showing a decrease of approximately 27.1% from approximately HKD12,891,000 in the Previous Year. Operating profit from this business segment amounted to approximately HKD33,173,000 during the Year (2023: approximately HKD20,034,000).

As at 31 December 2024, the total gross amount of loan and interest receivables amounted to HKD170,863,000 (31 December 2023: HKD213,272,000). Globally Finance granted loans to 7 (31 December 2023: 11) borrowers under its money lending business. 2 (31 December 2023: 2) of the borrowers were corporate borrowers and were listed companies in Hong Kong. The remaining 5 (31 December 2023: 9) borrowers were individual borrowers and the loans were personal loans. As at 31 December 2024, all borrowers were third parties independent of and not connected with the Group. The annual interest rates for loans ranged from 5.0% to 7.7% (31 December 2023: 5.0% to 7.7%).

Details of loans granted as at 31 December 2024 are as follows:

Borrowers	Original principal HKD	Tenure	Interest rate	Secured
Individual Borrower A	25,000,000	21/12/2020–21/12/2023 (Note (i))	5.0%	Y (Note (i))
Individual Borrower B	28,300,000	21/12/2020–21/12/2023 (Note (ii))	6.0%	Y (Note (ii))
Individual Borrower C	4,000,000	2/6/2021–1/6/2024 (Note (iii))	5.0%	N
Individual Borrower D	3,000,000	21/9/2022–20/9/2024 (Note (iii))	7.5%	N
	6,500,000	20/10/2022–19/10/2024 (Note (iii))	7.5%	N
Individual Borrower E	15,000,000	17/10/2022–16/10/2025	7.7%	N
Corporate Borrower A	96,853,000	7/10/2020–31/12/2024 (Note (iv))	7.0%	Y (Note (iv))
Corporate Borrower B	10,000,000	8/1/2021–7/1/2024 (Note (v))	7.0%	N

Notes:

- (i) As at the date of this announcement, the loan and interest receivable from individual borrower A amounted to HKD19.1 million. The balance was secured by PRC properties valued at HKD19.0 million as at 31 December 2024. It will be settled by December 2025 as negotiated with individual borrower A.
- (ii) As at the date of this announcement, the loan and interest receivable from individual borrower B amounted to HKD8.6 million. The balance was secured by PRC properties valued at HKD16.1 million as at 31 December 2024. It will be settled by December 2025 as negotiated with individual borrower B.
- (iii) As at the date of this announcement, the loan and interest receivable from individual borrower C and D amounted to HKD4.5 million and HKD9.1 million respectively. The entire balances were assigned to a director and duly approved by the shareholders of the Company (the “Shareholders”) at the extraordinary general meeting held on 14 March 2025.
- (iv) Corporate Borrower A provided 65,356,000 shares of a company listed in Hong Kong to the Group as collateral with a total fair value of approximately HKD424,160,000 as at 31 December 2024. The loan was secured by collaterals which are equity securities listed in Hong Kong.
- (v) Corporate Borrower B was under winding-up procedure and the outstanding balance due from this borrower has been fully written-off in the financial year ended 31 December 2023.

The ageing analysis of loan and interest receivables (except for note receivables) from money lending business as at 31 December 2024 is as follows:

HKD'000

Neither past due nor impaired	9,789
Past due but not impaired	
0 to 30 days	103,038
31 to 90 days	6,033
91 to 180 days	7,538
181 to 365 days	27,613
	<u>154,011</u>

For the concentration of the Group's loan portfolio as at 31 December 2024, the outstanding loan and accrued interest receivables of the top borrower and the top five borrowers amounted to approximately HKD103.0 million (31 December 2023: HKD96.2 million) and HKD149.6 million (31 December 2023: HKD182.0 million) respectively, which represented approximately 66.9% (31 December 2023: 45.1%) and 97.2% (31 December 2023: 85.3%) of the total loan and accrued interest receivables of the Group. Set out below is the summary of the top five borrowers of the provision of financing services business as at 31 December 2024:

Rank	Borrower	Book value of loan and interest receivables (HKD million)	Proportion of the Group's total loan and interest receivables (%)
1.	Corporate Borrower A	103.0	66.9
2.	Individual Borrower A	19.1	12.4
3.	Individual Borrower E	9.8	6.4
4.	Individual Borrower D	9.1	5.9
5.	Individual Borrower B	8.6	5.6

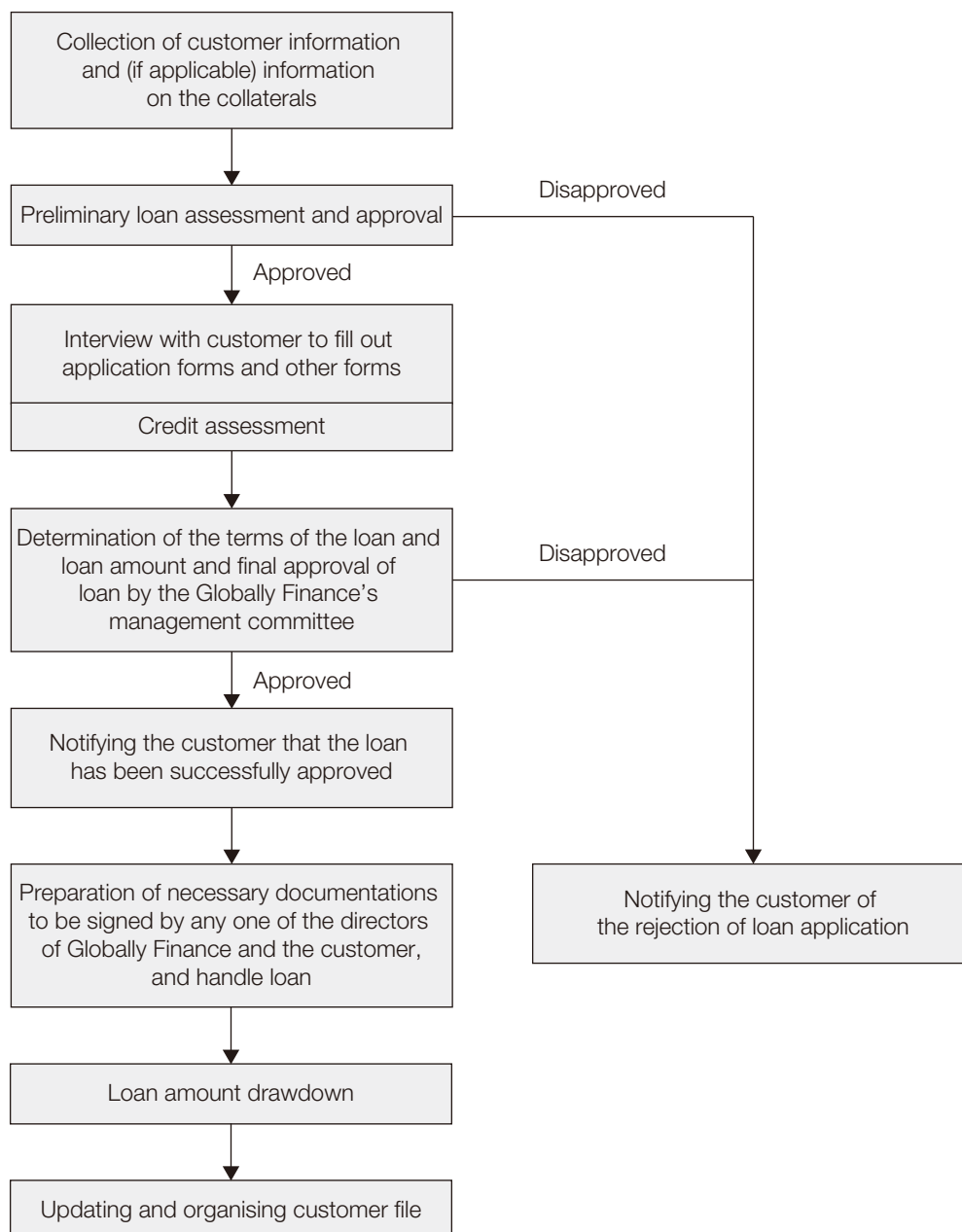
The actual interest rate offered by Globally Finance is affected by a number of factors including the term and amount of the loans, the availability of collaterals and the prevailing bank lending interest rate. Applicants with stronger repayment ability usually receive more favourable financing terms and less security and/or collaterals may be required. In general, unsecured loans have higher interest rates and shorter loan terms, while secured loans usually have lower interest rates. Furthermore, the loan size is taken into consideration, with larger loans generally charging higher interest rates.

In respect of the loan granted to Corporate Borrower A, the revolving loan facility was originally granted in 2017 with an interest rate of 8%, which was the market rate at that time. The interest rate was reduced to 7% in 2020 after arm's length negotiations taking into consideration of a number of factors, including the credit assessment, the loan amount and the bank lending rate at that time. Corporate Borrower A is a company listed on the Main Board of the Stock Exchange. The grant of loan to Corporate Borrower A and the extension of loan tenor of such loan were duly approved by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meetings held on 16 December 2020 and 15 March 2024, respectively. On 27 February 2025, Globally Finance and Corporate Borrower A entered into the conditional new loan agreement (the "**New Loan Agreement**"), pursuant to which the parties agreed that (1) the availability period and repayment date of the outstanding Loans shall be extended from 31 December 2024 to 31 December 2025 (or 31 December 2026 at the sole discretion of Globally Finance); and (2) the principal amount of the Loans will be HKD91,983,494.36 with effect from 20 February 2025. The New Loan Agreement is subject to approval of the shareholders of the Company at the extraordinary general meeting of the Company. As such, Globally Finance considered that whilst the loan amount granted to Corporate Borrower A was significantly higher than the other borrowers, the loan amount and the interest rate were justified.

To mitigate the risks associated with its business, Globally Finance has adopted a set of credit policies and procedures as set out in its credit policy and procedure manual, which gives a clear guideline for credit assessment and granting loans. Globally Finance follows standard commercial practices by conducting credit review procedures to determine the ability of applicants to fulfill their financial obligations. Applications must comply with specific credit constraints before being reviewed by Globally Finance. Applicants are required to submit all information necessary for conducting the reviews as required by Globally Finance. In assessing a borrower's application, the following parameters must be reasonably taken into consideration:

- (A) the amount of Globally Finance's potential financial exposure associated with the applicant;
- (B) the repayment ability of the applicant;
- (C) the security and/or collateral provided; and
- (D) others, e.g. external market condition, legal compliance etc..

Set out below is the standard credit review procedure adopted by Globally Finance:



Upon receiving the required application and supplemental information, Globally Finance will conduct a financial review to evaluate an applicant's financial viability and determine the appropriate amount of credit limit. Interest rate posed on the approved loan amount will be set with reference to the prevailing market rate, the level of risk involved in each case as well as the general economic and business environment. The interest rate shall not exceed the threshold as stipulated in the Money Lenders Ordinance.

The Group confirms that it has complied with the requirements in Chapters 14 and/or 14A of the Listing Rules when granting loans to each of the borrowers, whose loan(s) remained outstanding as at 31 December 2024.

The Group had no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) remained outstanding as at 31 December 2024.

During the Year, the Group assessed and estimated credit loss allowances (“**ECL**”) for the loan and interest receivables according to the requirement of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. In calculating the ECL rates, the Group considered historical loss rates for each category, the prevailing economic conditions, the value of the collateral and adjusts for forward looking data. Loans which were classified as “Loss” should be written off and the final approval should be obtained from the director of Globally Finance.

Normally, Globally Finance will assess the repayment ability and the risk of default for each borrower every year or every half year except for the high risk borrowers, for which the assessment will be made more frequently. Globally Finance will conduct reviews of customers’ financial standing to assess any necessary adjustments to the amounts of credit limits and collateral (if any). For the purpose of conducting such reviews, all customers will be required to submit the updated financial proof documents promptly upon Globally Finance’s request. These reviews will be carried out from time to time.

Credit reviews may be performed in response to material changes in a customer’s financial standing or as requested by a customer. Customers will be required to inform Globally Finance in writing of any material change in their financial status within 10 days of its occurrence. Customers are required to disclose the following material change in their financial status to Globally Finance:

- the latest income proof
- any material change in assets/liabilities
- bank account statement
- property land search report
- the latest company balance sheet and profit or loss

Globally Finance will review the reported material changes in terms of their impact on a customer’s financial capacity. Depending on the nature of these material changes, Globally Finance may find it necessary to reassess the customer’s credit limit and collateral requirement (if any).

Based on the result of credit assessment on debtors, the credit loss allowances for loan and interest receivables (except for note receivables) as at 31 December 2024 was approximately HKD16,852,000 (31 December 2023: HKD24,865,000), and reversal of provision for credit loss allowances for loan and interest receivables of approximately HKD8,013,000 (2023: HKD6,626,000) was made during the Year.

The movement of provision for estimated credit loss allowances of loan and interest receivables is as follows:

	<i>HKD'000</i>
As at 1 January 2024	24,865
Addition	625
Repayment	(5,961)
Change in risk parameter	(2,677)
	<hr/>
As at 31 December 2024	<u><u>16,852</u></u>

Securities brokerage business

The Group's security brokerage business is carried out through Future World Securities Investment Limited ("**FW Securities**"), a wholly owned subsidiary of the Company. FW Securities is incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance.

During the Year, no revenue (2023: HKD1,050,000) was generated and a loss of approximately HKD1,282,000 (2023: HKD142,000) was recorded for the segment of securities brokerage business.

High technology business

The Group has decided to cease the development of its high technology business given the uncertainty of this segment and is in the process of streamlining its operations, and ensuring all assets, records, and obligations are properly managed for the Year. In addition, the Group is striving to locate potential buyers, if any, to divest its subsidiaries of the high technology business in 2025.

During the Year, no revenue (2023: HKD17,134,000) was generated from high technology business segment. A loss of approximately HKD2,259,000 (2023: HKD302,000) was recorded for the segment of high technology business.

FINANCIAL REVIEW

Liquidity, financial, resources and funding

During the Year, the Group mainly financed its operations by cash generated from operation, bank borrowings, other borrowings and net proceeds from the Rights Issue 2023 as set forth in the section headed “Use of Proceeds from the Rights Issue”. The Group had total cash and bank balances of approximately HKD99,275,000 as at 31 December 2024 (31 December 2023: approximately HKD81,721,000). The Group had total borrowings of approximately HKD728,157,000 (31 December 2023: approximately HKD407,102,000), comprising bank borrowings of approximately HKD217,368,000 (31 December 2023: approximately HKD276,783,000), other borrowings of approximately HKD381,437,000 (31 December 2023: approximately HKD88,119,000), loans from a director of approximately HKD70,608,000 (31 December 2023: Nil), promissory note of approximately HKD13,887,000 (31 December 2023: Nil) and bond payable of approximately HKD44,857,000 (31 December 2023: HKD42,200,000) as at 31 December 2024.

As at 31 December 2024, among the bank borrowings of the Group, approximately HKD40,089,000 were repayable within one year, approximately HKD10,406,000 were repayable over one year but not exceeding two years, approximately HKD33,243,000 were repayable over two years but not exceeding five years and approximately HKD133,630,000 were repayable over five years. The bank borrowings had interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower and (iii) 2.5% per annum over HIBOR (1 week to 1 month).

Other borrowings of the Group were comprised of margin loans, revolving loan, loans from directors of subsidiaries and loans from individual third parties. The margin loan payables had a fixed interest at 7.5% per annum. The margin loan payables were repayable within one year and guaranteed by the Company as at 31 December 2024. The revolving loans had an interest rate of 2% per annum below HKD Prime Rate. The loans from directors of subsidiaries are unsecured, bear fixed interest rates ranging from 3.95% to 4% per annum, and are repayable over more than 5 years under scheduled repayment terms maturing by 2034. The loans from individual third parties are similarly unsecured, bear a fixed interest rate of 4% per annum, and are repayable over more than 5 years under scheduled repayment terms maturing by 2034.

The promissory note of approximately HKD13,887,000 (31 December 2023: Nil) with maturity date on 31 July 2027 which bears a fixed interest at 5% per annum payable annually in arrears. On 15 January 2025, the Group entered into the subscription agreement with the promissory note holder to settle the outstanding amount by the shares of the Company.

The bond payable of approximately HKD44,857,000 with maturity date on 4 January 2025 which bears a floating interest at 2.5% per annum over HKD Prime rate payable quarterly in arrears. On 27 December 2024, the Group has further modified and extended the maturity date to 4 April 2025.

Among loans from a director, approximately HKD21,284,000 are unsecured, interest free and repayable on demand, and approximately HKD42,279,000 are unsecured, interest free and will be matured on 31 December 2029.

The gearing ratio, calculated by dividing total borrowings by total equity, was approximately 85.86% as at 31 December 2024 (31 December 2023: 50.82%). Net assets were approximately HKD848,030,000 (31 December 2023: approximately HKD801,065,000) on the same date.

As at 31 December 2024, the Group has total current assets of approximately HKD495,388,000 (31 December 2023: HKD410,486,000) and total current liabilities of approximately HKD436,277,000 (31 December 2023: HKD382,348,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 1.14 as at 31 December 2024 (31 December 2023: 1.07).

The Group's finance costs for the Year was approximately HKD23,969,000 (2023: HKD19,318,000) and was mainly related to interests paid on the bank borrowings, other borrowings and bonds.

Pledge of assets

As at 31 December 2024, the Group's investment properties with carrying amount of HKD564,000,000 (31 December 2023: HKD604,000,000) have been pledged to secure the bank borrowings granted to the Group.

As at 31 December 2024, the Group had pledged an investment property with carrying amount of HKD252,000,000 (31 December 2023: HKD270,000,000); the securities investment under FVTOCI of approximately HKD9,909,000 (31 December 2023: HKD10,154,000); and the securities investment under FVTPL of approximately HKD11,291,000 (31 December 2023: HKD15,594,000) to secure the other borrowings.

TREASURY POLICIES

The Group has adopted a prudent approach to its treasury and funding policies. The Board closely manages risks associated with transactions related to the Group's business and ensures sufficient financial resources to support its business activities.

CAPITAL STRUCTURE

The share capital of the Company only comprises ordinary shares. As at 31 December 2024 and the date of this announcement, the Company had 253,890,982 and 278,507,892 Shares in issue, respectively.

PRINCIPAL RISKS

The Group's activities are exposed to a variety of risks as set out below:

Foreign currency risk and management

The Group has exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary. As at 31 December 2024, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk.

Interest rate risk exposure

The Group's exposure to interest rate risk arises from bank balance, bank borrowing, bond payable, and lease liabilities which bear interests at variable rates varied with the then prevailing market condition. Except as stated above, the Group has no other interest bearing assets and liabilities as at 31 December 2024, its income and operating cash flows are substantially independent of changes in variable interest rates.

Liquidity risk exposure

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities.

MATERIAL ACQUISITIONS AND DISPOSAL

(i) Acquisitions of SR Junting and SR Hotel Management

On 29 December 2023, Shenzhen Baiyi Industrial Investment Co., Ltd.* (深圳柏億實業投資有限公司) (“**Shenzhen Baiyi**”), a wholly-owned subsidiary of the Company, entered into two sales and purchase agreements with respective vendors to acquire the entire interests in SR Junting and SR Hotel Management, which were principally engaged in hotel management and operation in the PRC, at a total consideration of RMB17,900,001 (the “**Hotel Operation Acquisitions**”). For details of the Hotel Operation Acquisitions, please refer to the announcement of the Company dated 29 December 2023.

The Hotel Operation Acquisitions were completed in March 2024.

(ii) **Acquisitions of MLH Property and Shanghai Zhi Ying Property Management Co., Ltd.* (上海知盈物業管理有限公司) (“Zhi Ying Property”)**

On 18 March 2024, Shenzhen Baiyi, a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement (the “**First Sales and Purchase Agreement**”) with a vendor to acquire and take assignment of (i) the entire equity interest in Shanxi MLH Property and (ii) the non-interest bearing and unsecured shareholder’s loan provided by the vendor to MLH Property in the carrying amount of RMB32,000,000, at a total consideration of RMB35,400,000 (the “**MLH Property Acquisition**”). On the same date, MLH Property, entered into a sales and purchase agreement with another vendor to acquire 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000 (the “**Zhi Ying Property Acquisition**”, together with MLH Property Acquisition, the “**Property Acquisitions**”). MLH Property and Zhi Ying Property were principally engaged in real estate investment and property management in the PRC. For details of the Property Acquisitions, please refer to the announcement of the Company dated 18 March 2024. The Property Acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC. In addition, the Group may reap the benefits from the stable rental and property management income as well as the long-term potential appreciation of the properties held by MLH Property and Zhi Ying Property. The acquisition of MLH Property was completed in May 2024 and the acquisition of 10% of Zhi Ying Property is expected to complete by September 2024.

(iii) **First Assignment of Receivables**

On 22 March 2024, the Company and Mr. Lai Long Wai (“**Mr. Lai**”), an executive Director and a substantial shareholder of the Company, entered into a deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain receivables and share charges at a consideration of HKD65,745,700 (the “**First Assignment**”).

For details of the First Assignment, please refer to the announcement and circular of the Company dated 22 March 2024 and 17 July 2024 respectively. The First Assignment provides a one-off solution to the Group to recover the outstanding amounts within a foreseeable timeframe, thereby minimising the uncertainty and the credit risks associated with the receivables.

The First Assignment has been approved by the Shareholders by way of poll at the extraordinary general meeting of the Company and completed on 5 August 2024.

(iv) Acquisition of Elite Holdings International Limited (“Elite Holdings”)

On 26 June 2024, the Company entered into the sales and purchase secured agreement with the vendor, pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the vendor has conditionally agreed to sell and assign, the entire equity interest in Elite Holdings and the shareholder’s loan at considerations of RMB1,774,700 and RMB25,000,000, respectively.

Elite Holdings, through its wholly-owned subsidiary, owns a 9-floor building with total gross floor area of approximately 15,139 square meters, consisting of 129 guest rooms located in Shanxi Province, which is operated as the Hampton by Hilton Changzhi Luzhou.

The acquisition of Elite Holdings has been completed on 31 July 2024, by the allotment and issue of 21,700,000 consideration shares of the Company to the vendor at the issue price of HKD0.7 per consideration share of the Company and by the issue of the promissory note in the principal amount of HKD13,600,000 to the vendor.

(v) Disposal of Topsky Eagle Limited (“Topsky”)

On 15 April 2024, Alpha Idea Holdings Limited (“**Alpha Idea**”), a wholly-owned subsidiary of the Company, entered into the sales and purchase agreement with an independent third party (the “**Purchaser**”), pursuant to which the Alpha Idea has conditionally agreed to sell and procure the lenders of the non-interest bearing and unsecured loans provided by the Company and a subsidiary of the Company to Topsky in the aggregate carrying amount of approximately HKD41,981,000 as at the date of the sales and purchase agreement (the “**Intercompany Loans**”) to assign the benefit of the Intercompany Loans to the Purchaser, and the Purchaser has conditionally agreed to acquire the entire shares of Topsky and take assignment of the Intercompany Loans at a consideration of HKD38,000,000, subject to adjustments (the “**Topsky Disposal**”). Topsky was the legal and beneficial owner of the property of G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong. The Property was the only significant asset of Topsky.

The Topsky Disposal has been completed on 10 July 2024.

(vi) Acquisition of Meilianhang Property

On 2 October 2024, Shenzhen Xingguanghui Property Management Co., Ltd.* (深圳星光輝物業管理有限公司), a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with the vendor to acquire the entire interests in Meilianhang Property, which was principally engaged in real estate, property leasing and property management business in the PRC, at a total consideration of RMB15,000,000. For details of the Meilianhang Acquisition, please refer to the announcement of the Company dated 2 October 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, except for disclosed elsewhere in this announcement, the Group did not have plan for future material investments and capital assets.

PROSPECTS

With the acquisition of two hotel operating companies and the soft launch of two hotels in July 2024, the Group has significantly expanded its footprint in the hotel operations and ancillary businesses in the Shanxi Province, the PRC. Shanxi Province is poised for steady growth in its hotel industry, driven by its rich cultural heritage, increasing domestic tourism, and supportive government policies. We expect Shanxi Province continues to attract both domestic and international tourists, creating a strong demand for accommodations.

For the property investment, management, and agency segment, the acquisition of the various companies in 2024 has bolstered the Group's investment portfolio across various regions in the PRC, including Shanxi, Hainan, Zhejiang, and Shanghai. Furthermore, in February 2025, the Group has entered into the sales and purchase agreement with a vendor to acquire the entire equity interests in Aspire Holding Limited in which its sole material assets consist of two residential units in Futian District, Shenzhen, the PRC. The Group remains dedicated to identifying and capitalizing on opportunities to expand and refine its property investment portfolio, aiming to provide consistent rental income and achieve capital appreciation to enhance Shareholders' interests.

Furthermore, in January 2025, the Company completed the acquisition of the entire equity in a company licensed to conduct Type 9 (Asset Management) regulated activities under the SFO (the "**Acquisition of the Asset Management Company**"). The Board is confident that this acquisition will create potential synergies with the Group's securities and financial services operations, positioning the Group as a comprehensive financial services provider in Hong Kong.

The Group is committed to pursuing opportunities that diversify revenue streams, thereby creating lasting value for its shareholders.

LITIGATIONS AND CONTINGENCIES

As at 31 December 2024, the Group did not have any significant litigations and contingencies.

EVENTS AFTER THE REPORTING PERIOD

(i) Completion of Acquisition of the Asset Management Company

On 26 June 2024, the Company entered into an agreement with a vendor to acquire the entire equity interest of a company licensed to carry on Type 9 (Asset Management) regulated activities under the SFO (the “**Acquisition of the Asset Management Company**”) at consideration of HKD2,850,005. On 28 January 2025, all conditions precedent under the agreement have been fulfilled and the Completion took place in accordance with the terms and conditions of the agreement. Upon completion, 1,428,600 New Shares at the issue price of HKD0.7 per New Share has been allotted to the vendor by the Company.

For details of the Acquisition of the Asset Management Company, please refer to the announcements dated 26 June 2024 and 28 January 2025.

(ii) Acquisition of Property and Second Assignment of Receivables

On 23 December 2024, Future Group Investment Holdings Limited (“**FGIHL**”), a wholly owned subsidiary of the Company and Mr. Lai, an executive Director and a substantial shareholder of the Company entered into the conditional provisional agreement, pursuant to which FGIHL has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the property located at Flat B, 28th Floor, Broadview Villa, No.20 Broadwood Road, Hong Kong (the “**Property Acquisition**”) with consideration of HKD88,000,000.

At the same date, the Company and Mr. Lai entered into a deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain receivables at a consideration of HKD23,391,264 (the “**Second Assignment**”).

The consideration of HKD23,391,264 for the First Assignment, together with the consideration for the Second Assignment of HKD65,745,700, shall be offset against the consideration for the Property Acquisition of HKD88,000,000. Upon the completion of the Property Acquisition and the completion of the First Assignment and the Second Assignment, the net amount payable by Mr. Lai to the Company shall therefore be HKD1,136,964.

For details of the Property Acquisition and the Second Assignment, please refer to the announcement and circular of the Company dated 23 December 2024 and 25 February 2025 respectively. The Property Acquisition and the Second Assignment have been approved by the Shareholders by way of poll at the extraordinary general meeting of the Company on 14 March 2025. The completion is expected to take place in the second quarter of 2025.

(iii) Share allotment for Settlement of Promissory Note

On 15 January 2025, the Company entered into the subscription agreement with the subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the subscriber has conditionally agreed to subscribe, 23,188,310 subscription shares at the price of HKD0.6 per subscription share. The aggregate subscription price of HKD13,912,986 will be settled by the subscriber by way of set-off against an equivalent outstanding amount under the promissory note. The subscription agreement have been fulfilled and the shares have been allotted on 21 February 2025 (the “**Share Allotment**”).

For details of the Share Allotment, please refer to the announcements dated 28 January 2025 and 21 February 2025.

(iv) Extension of loan facility

On 27 February 2025, Globally Finance, a wholly owned subsidiary of the Company and Central Wealth entered into the conditional new loan agreement, pursuant to which the parties agree that the (1) availability period and repayment date of the outstanding Loans shall be extended from 31 December 2024 to 31 December 2025 (or 31 December 2026 at the sole discretion of Globally Finance); and (2) the principal amount of the Loans will be HKD91,983,494.36 with effect from 20 February 2025. The completion of the conditional new loan agreement is subject to shareholder’s approval in the upcoming extraordinary general meeting of the Company. Details of the conditional new loan agreement are shown in the announcement and circular made by the Company on 27 February 2025 and 28 March 2025 respectively.

(v) Acquisition of Aspire Holding

On 27 February 2025, the Company entered into the sales and purchase agreement with the Mr. Sin Lik Man (“**Mr. Sin**”), pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the Mr. Sin has conditionally agreed to sell and assign, the entire equity interest in Aspire Holding Limited (“**Aspire Holding**”) and the shareholder’s loan at considerations of HKD1,142,000 and HKD26,596,000, respectively.

The total consideration of HKD27,738,000 shall be satisfied by the Company upon the completion (i) as to HKD11,960,000 by the allotment and issue of 23,000,000 consideration shares to Mr. Sin at the issue price of HKD0.52 per consideration share; and (ii) the balance of HKD15,778,000 by the issue of the promissory note in the principal amount of HKD15,778,000 to Mr. Sin (or its designated entity). The consideration shares will be allotted and issued under the general mandate and are not subject to the approval of the shareholders. Upon the completion, Aspire Holding will become a wholly owned subsidiary of the Company.

Details of the acquisition of Aspire Holding are shown in the announcement made by the Company on 27 February 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 597 employees situated in Hong Kong and the PRC (31 December 2023: 14 employees). The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the Year, the total staff costs including remuneration of Directors and chief executive amounted to approximately HKD21,007,000 (2023: HKD10,054,000).

SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, a new share option scheme (the “**Scheme 2021**”) was adopted. The Scheme 2021 shall be valid and effective for a term of approximately 10 years commencing on the adoption date of the Share Award Scheme and will expire on 29 June 2031.

No share options were granted, exercised, lapsed or cancelled under the Scheme 2021 of the Company during the year. As at 31 December 2024, the Company did not have any outstanding share options.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

On 16 June 2023, the Company announced the proposed rights issue, by way of the issue of up to 116,095,491 shares (the “**Rights Shares 2023**”), on the basis of one rights share for every one rights share at the subscription price of HKD0.6 per Rights Share 2023 (the “**Rights Issue 2023**”). Upon completion of the Rights Issue 2023 on 3 October 2023, a total of 116,095,491 Rights Shares 2023 were issued pursuant to the terms of the Rights Issue 2023. The unutilised net proceeds from the Rights Issue 2023 were approximately HKD59.1 million as at 31 December 2023 (the “**Net Proceeds 2023**”) and details of the actual usage of the Net Proceeds 2023 for the Year are as follows:

	Unutilised Net Proceeds 2023 as at 31 December 2023 HKD million	Utilised Net Proceeds 2023 for the Year HKD million
Borrower		
Repayment of bank borrowings of the Group which are repayable within one year	<u>59.1</u>	<u>59.1</u>

For further details of the Rights Issue 2023, please refer to the Company's announcements dated 16 June 2023, 13 July 2023, 3 August 2023, 10 August 2023, 29 August 2023 and 12 October 2023, circular of the Company dated 10 August 2023 and prospectus of the Company dated 18 September 2023.

FINAL DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company.

SCOPE OF WORK OF MOORE CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore CPA Limited, ("**Moore**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore 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 Moore on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has met the external auditor of the Company, Moore, and reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles of good corporate governance set out in the Corporate Governance Code in the Appendix C1 to the Listing Rules (the "**CG Code**"). The Company has complied with all code provisions during the year ended 31 December 2024 as set out in the CG Code except for the following deviations:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Liang Jian from 1 January 2024 to 31 July 2024. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. Following Mr. Liang Jian's resignation as chairman and chief executive officer of the Company on 31 July 2024, the role of chief executive officer has remained vacant. The Company will issue a further announcement regarding the appointment of a new chief executive officer at the appropriate time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiries with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2024.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.fw-holdings.com. The annual report of the Company for year ended 31 December 2024 containing the information required by the Listing Rules will be dispatched to the shareholders of the Company in due course.

By order of the Board
Future World Holdings Limited
Wang Qian
Chairlady

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Ms. Wang Qian, Mr. Liang Jian, Mr. Yu Qingrui, Mr. Su Wei and Mr. Lai Long Wai; and (ii) three independent non-executive Directors, namely Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung.

** For identification purposes only*