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偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “Board”) of directors (the “Directors”) of Realord Group Holdings Limited (the Company, together with its subsidiaries, the “Group”) is pleased to present the audited consolidated results of the Group for the year ended 31 December 2024 (the “FY2024”) together with the comparative figures for the year ended 31 December 2023 (the “FY2023”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000 (Restated)
Continuing operations			
Revenue	3		
– Goods and services		314,794	489,337
– Rental income		42,540	19,254
– Interest income		71,019	92,629
		<u> </u>	<u> </u>
Total revenues		428,353	601,220
Cost of sales		<u>(275,412)</u>	<u>(407,613)</u>
Gross profit		152,941	193,607
Other income	5a	13,546	13,174
Other gains, net	5b	109,229	57,782
Reversal of provision for properties under development		32,114	62,129
Impairment losses, net		(132,367)	(48,339)
(Loss)/Gain on fair value changes of investment properties, net	11	(260,392)	1,097,751
Selling and distribution expenses		(6,253)	(14,280)
Administrative expenses		(167,664)	(180,605)
Finance costs	7	<u>(699,069)</u>	<u>(740,442)</u>
(Loss)/Profit before income tax		(957,915)	440,777
Income tax credit/(expenses)	8	<u>43,159</u>	<u>(278,631)</u>
(Loss)/Profit for the year from continuing operations	6	(914,756)	162,146
Discontinued operations			
Loss for the year from discontinued operations	17	<u>(41,712)</u>	<u>(120,896)</u>
(Loss)/Profit for the year		<u><u>(956,468)</u></u>	<u><u>41,250</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

For the year ended 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000 (Restated)
(Loss)/Profit for the year attributable to owners of the Company:			
– from continuing operations		(854,081)	183,386
– from discontinued operations		(32,589)	(106,697)
		(886,670)	76,689
Loss for the year attributable to non-controlling interests:			
– from continuing operations		(60,675)	(21,240)
– from discontinued operations		(9,123)	(14,199)
		(69,798)	(35,439)
		(956,468)	41,250
(Loss)/Earnings per share			
From continuing and discontinued operations	10		
– Basic		(61.54)	5.32
– Diluted		(61.54)	5.32
From continuing operations	10		
– Basic		(59.28)	12.73
– Diluted		(59.28)	12.72

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
(Loss)/Profit for the year	<u>(956,468)</u>	<u>41,250</u>
Other comprehensive income/(expenses)		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Gains on property, plant and equipment revaluation, net	10,877	18,566
Income tax relating to gains on property, plant and equipment revaluation, net	(603)	(1,005)
Actuarial gain on a defined benefit plan	1,606	89
Changes in fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")	2,038	86
Actuarial gain/(loss) on long service payment obligations	128	(125)
Exchange difference released upon disposal of subsidiaries	679	–
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<u>(206,465)</u>	<u>(124,016)</u>
Other comprehensive expenses for the year, net of income tax	<u>(191,740)</u>	<u>(106,405)</u>
Total comprehensive expenses for the year	<u><u>(1,148,208)</u></u>	<u><u>(65,155)</u></u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the year ended 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Total comprehensive (expenses)/income for the year attributable to owners of the Company:		
– from continuing operations	(1,042,931)	86,187
– from discontinued operations	(27,534)	(104,198)
	<u>(1,070,465)</u>	<u>(18,011)</u>
Total comprehensive expenses for the year attributable to non-controlling interests:		
– from continuing operations	(70,084)	(33,934)
– from discontinued operations	(7,659)	(13,210)
	<u>(77,743)</u>	<u>(47,144)</u>
	<u>(1,148,208)</u>	<u>(65,155)</u>
Total comprehensive expenses for the year attributable to:		
– Owners of the Company	(1,070,465)	(18,011)
– Non-controlling interests	(77,743)	(47,144)
	<u>(1,148,208)</u>	<u>(65,155)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		388,771	630,883
Prepaid lease payments		4,095	4,289
Investment properties	11	8,971,830	9,542,078
Goodwill		87,390	257,733
Other intangible assets		32,246	41,576
Equity instruments at FVTOCI		–	4,127
Prepayments, deposits and other receivables		9,739	206,393
Pension scheme assets		–	23,777
		<u>9,494,071</u>	<u>10,710,856</u>
Current assets			
Inventories		24,689	57,428
Properties under development		5,633,874	5,555,146
Trade receivables	12	346,039	543,427
Receivables arising from securities broking	12	295,402	310,485
Loan receivables	12	455,409	502,003
Prepayments, deposits and other receivables		319,162	316,678
Proposed development project		2,148,907	2,101,934
Financial assets at fair value through profit or loss (“FVTPL”)		68,441	68,528
Amounts due from related parties		321	1,592
Tax recoverable		4,009	6,388
Cash held on behalf of clients		85,973	77,354
Restricted bank balances and deposits		81,550	75,851
Bank balances and cash		30,690	153,259
		<u>9,494,466</u>	<u>9,770,073</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Current liabilities			
Trade payables	13	174,939	84,961
Payables arising from securities broking	13	96,357	77,285
Contract liabilities		103,121	83,401
Insurance contracts liabilities		–	1,154
Other payables and accruals		1,056,096	740,752
Bank borrowings	14	7,432,244	454,967
Other borrowings	15	306,140	249,478
Amounts due to related parties		310,015	320,617
Lease liabilities		4,280	47,206
Long service payment obligations		–	59
Tax payable		4,457	5,857
		<u>9,487,649</u>	<u>2,065,737</u>
Net current assets		<u>6,817</u>	<u>7,704,336</u>
Total assets less current liabilities		<u><u>9,500,888</u></u>	<u><u>18,415,192</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity			
Share capital	16	144,071	144,071
Reserves		2,557,668	3,448,868
Equity attributable to owners of the Company		2,701,739	3,592,939
Non-controlling interests		1,369,071	1,505,124
		4,070,810	5,098,063
Non-current liabilities			
Other payables and accruals		–	84
Loan from a related company		–	211,000
Loans from ultimate holding company		2,614,469	2,797,516
Bank borrowings	14	1,727,154	9,104,950
Other borrowings	15	–	22,590
Lease liabilities		3,038	6,243
Long service payment obligations		–	2,418
Deferred tax liabilities		1,085,417	1,172,328
		5,430,078	13,317,129
		9,500,888	18,415,192

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), the accounting principles generally accepted in Hong Kong, the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values. The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

In preparing the consolidated financial statements, the Directors have given consideration to the future liquidity in light of its loss of HK\$956,468,000 incurred for the year ended 31 December 2024 and, as of the date, the Group had net current assets of HK\$6,817,000, in which the total current assets of HK\$9,494,466,000 mainly comprised (i) properties under development and proposed development project of HK\$5,633,874,000 and HK\$2,148,907,000 respectively; and (ii) bank balances and cash with aggregate carrying amount of HK\$30,690,000 while the total current liabilities of HK\$9,487,649,000 mainly comprised bank and other borrowings of HK\$7,738,384,000, as at 31 December 2024.

Despite of these circumstances, the consolidated financial statements have been prepared on a going concern basis on the assumption that the Group is able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next year from the end of the reporting period, after taking into consideration of the measures and arrangements that the Group has implemented or is in the process of implementing as detailed below:

- (a) the Group is in negotiation with several banks for the renewals of the Group’s borrowings upon expiry, new borrowings and applying for future credit facilities. Up to the date of approval of these consolidated financial statements, a bank has approved the renewal of the major bank borrowings of HK\$6,979,945,000 upon expiration in April 2025 and is finalizing the execution of the necessary documentation;
- (b) the Directors have assessed all pertinent information and made a business plan to improve its liquidity by (i) monitoring the development status of property projects to ensure the realisation of projected developments and sales forecast, (ii) implementing measures to tighten cost controls across property projects, and (iii) exploring any feasible financial arrangement; and
- (c) the continuous financial supports from Dr. Lin Xiaohui (“Dr. Lin”) and the ultimate holding company, which is beneficially owned by Dr. Lin.

The Directors have reviewed the Group's cash flows projection covering a period not less than twelve months from 31 December 2024 which have taking into account the above-mentioned plans and measures. In the opinion of the Directors, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities, respectively and to provide for any future liabilities which might arise. The effect of these potential adjustments has not been reflected in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretation issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

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

Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" ("2020 Amendments") and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 "Non-current Liabilities with Covenants" ("2022 Amendments")

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period and this right has to be existed at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities make at the end of the reporting period as to the classification of the liability.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

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

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the reporting date.

The amendments also define “settlements” of a liability, which includes transfer of entity’s own equity instrument. However, if the holder’s conversion option in a convertible bond is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder’s conversion option is classified as liability, such option must be considered for the determination of current/non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 January 2024, the application of amendments did not result in reclassification of the Group’s liabilities.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
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 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

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 date not yet determined

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs AND CHANGES IN OTHER ACCOUNTING POLICIES (Continued)

New and amendments to HKFRSs in issue but not yet effective (Continued)

Excepted as described below, the Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the Group's consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRSs, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The Directors are currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3. REVENUE

The Group recognises revenue from the following major sources:

- (i) Revenue from sale of motor vehicle parts is recognised at a point in time when the control of goods has been transferred to customers upon delivery;
- (ii) Revenue from dismantling, processing, trading and sales of scrap materials is recognised at a point in time when the control of the specific type of scrap materials, either dismantled or not, as requested by the customers, has been transferred to them upon delivery;
- (iii) Revenue from sale of hangtags, labels, shirt paper boards and plastic bags is recognised at a point in time when the customer obtains control of the distinct goods;
- (iv) Revenue from rendering of corporate finance advisory, asset management and other related services is recognised over time using the output method because the customer simultaneously receives and consumes the benefits as the Group performs or the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date;
- (v) Revenue from provision of citizenship application and consultancy services on citizenship by investment programme ("CBI Programme") is recognised at a point in time when the client's citizenship has been granted by the Minister as set out in Section 8 of the Grenada Citizenship by Investment Act 15 of 2013;
- (vi) Revenue from commission from securities broking is recognised at a point in time upon execution of orders for purchase or sale of securities on behalf of clients;
- (vii) Revenue from sale of box office tickets is recognised at a point in time when the relevant film is exhibited;
- (viii) Revenue from rental income is recognised on a straight-line basis over the term of the lease;
- (ix) Revenue from interest income from margin financing and money lending business is recognised on a time proportion basis using the effective interest method;
- (x) Revenue from sale of goods at the department stores is recognised at a point in time when the control of goods has been transferred to customers upon purchase the goods at the department stores. This operation was discontinued in the current year and details of which are disclosed in note 17;
- (xi) Revenue from commission from counter and consignment sales at the department stores is recognised at a point in time and based on certain percentage of sales made by the customers in accordance with the terms of contracts. This operation was discontinued in the current year and details of which are disclosed in note 17; and
- (xii) Revenue from rendering of financial printing, digital printing and other related services is recognised over time using the output method because the customer simultaneously receives and consumes the benefits as the Group performs. This operation was discontinued in the current year and details of which are disclosed in note 17.

3. REVENUE (Continued)

(a) Disaggregation of revenue from contracts with customers

Continuing operations

Type of goods and services	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	LAC HK\$'000	Cinema Operation HK\$'000	Total HK\$'000
Year ended 31 December 2024							
<i>Sales of goods</i>							
– Motor vehicle parts	-	-	-	1,715	-	-	1,715
– Scrap materials	-	-	229,145	-	-	-	229,145
	-	-	229,145	1,715	-	-	230,860
<i>Rendering of services</i>							
– Financial services	-	59,901	-	-	-	-	59,901
– Citizenship application and consultancy services	-	-	-	-	20,009	-	20,009
– Commission from securities broking	-	1,447	-	-	-	-	1,447
– Box office tickets	-	-	-	-	-	2,577	2,577
Revenue from contracts with customers	-	61,348	229,145	1,715	20,009	2,577	314,794
Revenue from gross rental income	42,540	-	-	-	-	-	42,540
Revenue from interest income from margin financing	-	27,179	-	-	-	-	27,179
Revenue from interest income from money lending business	-	43,840	-	-	-	-	43,840
Total	42,540	132,367	229,145	1,715	20,009	2,577	428,353
Geographical markets							
Mainland China	42,242	-	5,373	-	930	2,577	51,122
Hong Kong	298	132,367	775	1,715	1,607	-	136,762
Japan	-	-	222,997	-	-	-	222,997
Grenada	-	-	-	-	17,472	-	17,472
Total	42,540	132,367	229,145	1,715	20,009	2,577	428,353
Timing of revenue recognition							
A point in time	-	1,447	229,145	1,715	20,009	2,577	254,893
Over time	-	59,901	-	-	-	-	59,901
	-	61,348	229,145	1,715	20,009	2,577	314,794
Revenue out of the scope of HKFRS 15							
Rental income	42,540	-	-	-	-	-	42,540
Interest income	-	71,019	-	-	-	-	71,019
Total	42,540	132,367	229,145	1,715	20,009	2,577	428,353

3. REVENUE (Continued)

(a) Disaggregation of revenue from contracts with customers (Continued)

Continuing operations (Continued)

Type of goods and services	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	Hangtag HK\$'000	LAC HK\$'000	Cinema Operation HK\$'000	Total HK\$'000 (Restated)
Year ended 31 December 2023								
<i>Sales of goods</i>								
– Motor vehicle parts	–	–	–	43,054	–	–	–	43,054
– Scrap materials	–	–	357,814	–	–	–	–	357,814
– Hangtag, labels, shirt paper boards and plastic bags	–	–	–	–	23	–	–	23
	–	–	357,814	43,054	23	–	–	400,891
<i>Rendering of services</i>								
– Financial services	–	27,825	–	–	–	–	–	27,825
– Citizenship application and consultancy services	–	–	–	–	–	34,811	–	34,811
– Commission from securities broking	–	22,090	–	–	–	–	–	22,090
– Box office tickets	–	–	–	–	–	–	3,720	3,720
Revenue from contracts with customers	–	49,915	357,814	43,054	23	34,811	3,720	489,337
Revenue from gross rental income	19,254	–	–	–	–	–	–	19,254
Revenue from interest income from margin financing	–	36,722	–	–	–	–	–	36,722
Revenue from interest income from money lending business	–	55,907	–	–	–	–	–	55,907
Total	19,254	142,544	357,814	43,054	23	34,811	3,720	601,220
Geographical markets								
Mainland China	18,917	–	17,474	5,069	–	388	3,720	45,568
Hong Kong	337	142,544	90,647	37,985	23	1,975	–	273,511
Japan	–	–	249,693	–	–	–	–	249,693
Grenada	–	–	–	–	–	32,448	–	32,448
Total	19,254	142,544	357,814	43,054	23	34,811	3,720	601,220
Timing of revenue recognition								
A point in time	–	22,090	357,814	43,054	23	34,811	3,720	461,512
Over time	–	27,825	–	–	–	–	–	27,825
	–	49,915	357,814	43,054	23	34,811	3,720	489,337
Revenue out of the scope of HKFRS 15								
Rental income	19,254	–	–	–	–	–	–	19,254
Interest income	–	92,629	–	–	–	–	–	92,629
Total	19,254	142,544	357,814	43,054	23	34,811	3,720	601,220

4. SEGMENT INFORMATION

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

The Group is organised into business units based on their products and services and has nine (2023: nine) operating segments (including both continuing and discontinued operations) as follows:

- (i) property investment, development and commercial operation (“Property Segment”);
- (ii) provision of corporate finance advisory, asset management, securities brokerage services, money lending and margin financing (“Financial Services Segment”);
- (iii) environmental protection industry, mainly dismantling, processing, trading and sales of scrap materials (“Environmental Protection Segment” or “EP Segment”);
- (iv) distribution and sale of motor vehicle parts (“Motor Vehicle Parts Segment” or “MVP Segment”);
- (v) provision of citizenship application and consultancy services on citizenship by CBI programme and development of project in Grenada which integrates a collection of education facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities (“Latin America and Caribbean Segment” or “LAC Segment”);
- (vi) sales of hangtag, labels, shirt paper boards and plastic bags principally to manufacturers of consumer products (“Hangtag Segment”);
- (vii) operation of a cinema located in the PRC with the exhibition of the film (“Cinema Operation Segment”);
- (viii) provision of financial printing, digital printing and other related services (“Commercial Printing Segment”). This operation was discontinued during the year ended 31 December 2024; and
- (ix) operation of department stores offering a wide range of consumer products, comprises of sale of goods, income from counter and consignment sale and the revenue from other sources, including rental income from sublease of properties and the provision of general and life insurances (“Department Store Segment”). This operation was discontinued during the year ended 31 December 2024.

The businesses of the Group’s Commercial Printing Segment and Department Store Segment were discontinued in the current year and details of which are disclosed in note 17 to the financial statements. The segment information reported does not include any amount for the discontinued operations and accordingly, segment information for the prior year has been restated to reflect this change of segment composition.

4. SEGMENT INFORMATION (Continued)

During the years ended 31 December 2024 and 2023, Hangtag Segment and Cinema Operation Segment were being reported as “Others” as none of these segments met the quantitative thresholds for the reporting segments in both current and prior years.

(a) Segment revenues and results

Continuing operations

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

	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	LAC HK\$'000	Others HK\$'000	Total HK\$'000
Year ended 31 December 2024							
<i>Segment revenue</i>							
– Sales to external customers	42,540	132,367	229,145	1,715	20,009	2,577	428,353
– Inter-segment sales	2,520	5,136	-	-	-	-	7,656
	<u>45,060</u>	<u>137,503</u>	<u>229,145</u>	<u>1,715</u>	<u>20,009</u>	<u>2,577</u>	<u>436,009</u>
Elimination of inter-segment sales							<u>(7,656)</u>
Revenue							<u><u>428,353</u></u>
Segment results	(533,033)	78,112	(129,179)	(32,044)	(14,381)	(532)	(631,057)
Bank interest income							2,945
Dividend income							2,125
Unrealised fair value gain on financial assets at FVTPL							342
Net foreign exchange gain							109,878
Revaluation deficit on property, plant and equipment							(949)
Corporate expenses							(44,271)
Finance costs							<u>(396,928)</u>
Loss before income tax from continuing operations							<u><u>(957,915)</u></u>

4. SEGMENT INFORMATION (Continued)

(a) Segment revenues and results (Continued)

Continuing operations (Continued)

	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	LAC HK\$'000	Others HK\$'000	Total HK\$'000 (Restated)
Year ended 31 December 2023							
Segment revenue							
– Sales to external customers	19,254	142,344	357,814	43,054	34,811	3,743	601,220
– Inter-segment sales	2,520	2,772	–	–	–	–	5,292
	21,774	145,316	357,814	43,054	34,811	3,743	606,512
Elimination of inter-segment sales							(5,292)
Revenue							601,220
Segment results	782,546	75,732	(29,852)	(10,310)	(8,790)	74	809,400
Bank interest income							2,509
Dividend income							1,917
Unrealised fair value loss on financial assets at FVTPL							(2,937)
Net foreign exchange gain							59,407
Revaluation surplus on property, plant and equipment							499
Corporate expenses							(41,579)
Finance costs							(388,439)
Profit before income tax from continuing operations							440,777

Inter-segment sales are charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by/(loss from) each segment without allocation of bank interest income, dividend income, unrealised fair value gain/(loss) on financial assets at FVTPL, net foreign exchange gain, revaluation (deficit)/surplus on property, plant and equipment, corporate expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities

	Property HK\$'000	Financial Services HK\$'000	Environmental Protection HK\$'000	Motor Vehicle Parts HK\$'000	LAC HK\$'000	Others HK\$'000	Total HK\$'000
As at 31 December 2024							
Segment assets	15,063,213	1,041,410	295,746	116,894	2,355,479	3,790	18,876,532
Corporate and unallocated assets							112,005
Total assets							<u>18,988,537</u>
Segment liabilities	8,201,669	108,791	73,685	6,512	203,756	304	8,594,717
Corporate and unallocated liabilities							6,323,010
Total liabilities							<u>14,917,727</u>
As at 31 December 2023							
Segment assets	15,533,879	1,099,626	446,857	153,088	2,297,270	5,129	19,535,849
Corporate and unallocated assets							265,787
Assets related to a discontinued operation							679,293
Total assets							<u>20,480,929</u>
Segment liabilities	8,021,137	200,598	99,172	9,928	143,265	262	8,474,362
Corporate and unallocated liabilities							6,703,622
Liabilities related to a discontinued operation							204,882
Total liabilities							<u>15,382,866</u>

4. SEGMENT INFORMATION (Continued)

(b) Segment assets and liabilities (Continued)

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

- (i) all assets are allocated to operating segments other than equity instruments at FVTOCI, amounts due from related parties, financial assets at FVTPL, tax recoverable, bank balances and cash and other unallocated head office and corporate assets as these assets are managed on a group basis.
- (ii) all liabilities are allocated to operating segments other than certain other payables and accruals, certain bank borrowings, amounts due to related parties, tax payable, deferred tax liabilities, certain other borrowings, loan from a related company, loans from ultimate holding company and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

5a. OTHER INCOME

	2024 HK\$'000	2023 HK\$'000 (Restated)
Bank interest income	2,945	2,509
Dividend income	2,125	1,917
Interest income on credit-impaired loan receivables	7,032	7,003
Government grants	450	257
Others	994	1,488
	<u>13,546</u>	<u>13,174</u>

5b. OTHER GAINS, NET

	2024 HK\$'000	2023 HK\$'000 (Restated)
(Loss)/Gain on disposal of property, plant and equipment	(106)	647
Gain on lease modification and termination	64	110
Unrealised fair value gain/(loss) on financial assets at FVTPL	342	(2,937)
Net foreign exchange gain	109,878	59,407
Revaluation (deficit)/surplus on property, plant and equipment	(949)	499
Recovery of receivables arising from securities broking previously written-off	—	56
	<u>109,229</u>	<u>57,782</u>

6. (LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's (loss)/profit for the year from continuing operations is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000 (Restated)
Continuing operations:		
Employee benefits expense (including directors' emoluments)		
– Wages and salaries	71,661	81,076
– Discretionary bonuses	39	528
– Retirement benefits (<i>note</i>)	4,534	4,908
	<u>76,234</u>	<u>86,512</u>
Auditor's remuneration	3,925	3,925
Depreciation of:		
– Owned assets	24,726	24,928
– Right-of-use assets	28,847	33,564
– Prepaid lease payments	117	119
Amortisation of other intangible assets	3,998	10,050
Direct operating expenses (including repair and maintenance):		
– Arising from leased investment properties	11,461	9,291
– Arising from vacant investment properties	1,778	1,870
Cost of inventories recognised as expenses	228,451	383,683
Short-term lease payments	296	252
	<u>699,069</u>	<u>740,442</u>

Note: As at 31 December 2024 and 2023, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

7. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000 (Restated)
Interest on bank borrowings and overdrafts	446,496	515,077
Interest on other borrowings	28,932	21,834
Interest on loans from ultimate holding company	221,147	199,211
Interest on amounts due to related parties	1,671	2,860
Finance charges on lease liabilities	823	1,460
	<u>699,069</u>	<u>740,442</u>

8. INCOME TAX (CREDIT)/EXPENSES FROM CONTINUING OPERATIONS

	2024 HK\$'000	2023 HK\$'000 (Restated)
Current tax		
Hong Kong		
– Provision for the year	2,849	4,459
– Over-provision in prior years	–	(103)
	2,849	4,356
Deferred tax		
– (Credit)/Charge for the year	(46,008)	274,275
Income tax (credit)/expenses	(43,159)	278,631

Hong Kong

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2024.

The PRC

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2023: 25%) for the year ended 31 December 2024. For the years ended 31 December 2024 and 2023, the Group did not generate any estimated assessable profits in PRC.

Japan

Pursuant to the rules and regulations of Japan, the subsidiary incorporated in Japan is subject mainly to corporate tax, inhabitant tax and enterprise tax, and the effective statutory tax rate for these taxes is 34.6% (2023: 34.6%) for the year ended 31 December 2024. For the years ended 31 December 2024 and 2023, the Group did not generate any estimated assessable profits in Japan.

Grenada

The subsidiaries of the Group incorporated in Grenada are subject to Corporation Tax in the Grenada (“Corporation Tax”). Corporation tax is calculated at 28% (2023: 28%) of the estimated assessable profits for the year ended 31 December 2024. For the years ended 31 December 2024 and 2023, the Group did not generate any estimated assessable profits in Grenada.

9. DIVIDEND

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

10. (LOSS)/EARNINGS PER SHARE

From continuing operation

The calculation of the basic and diluted (loss)/earnings per share from continuing operations is calculated by dividing the (loss)/profit from continuing operations attributable to owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
(Loss)/Profit from continuing operations attributable to owners of the Company	<u>(854,081)</u>	<u>183,386</u>
	2024	2023
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share calculation	1,440,709,880	1,440,709,880
Effect of dilutive potential ordinary shares:		
– Share options	<u>–</u>	<u>1,154,796</u>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share calculation	<u>1,440,709,880</u>	<u>1,441,864,676</u>

For the year ended 31 December 2024, diluted loss per share from continuing operations equals to basic loss per share from continuing operations as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive. For the year ended 31 December 2023, diluted earnings per share from continuing operations was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

10. (LOSS)/EARNINGS PER SHARE (Continued)

From continuing and discontinued operations

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
(Loss)/Profit from continuing operations attributable to owners of the Company	(857,081)	183,386
Loss from discontinued operations attributable to owners of the Company	<u>(32,589)</u>	<u>(106,697)</u>
(Loss)/Profit for the purpose of basic and diluted (loss)/earnings per share from continuing and discontinued operations	<u><u>(886,670)</u></u>	<u><u>76,689</u></u>

The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share from continuing operations.

From discontinued operations

The calculations of basic and diluted loss per share from the discontinued operations are based on:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Loss from discontinued operations attributable to owners of the Company	<u>(32,589)</u>	<u>(106,697)</u>
Weighted average number of ordinary shares for the purpose of basic loss per share calculation	<u><u>1,440,709,880</u></u>	<u><u>1,440,709,880</u></u>

The calculation of diluted loss per share for the discontinued operations are based on the loss for the year attributable to owners of the Company from the discontinued operations divided by the weighted average number of ordinary shares. For the years ended 31 December 2024 and 2023, diluted loss per share from discontinued operations equals to basic loss per share from discontinued operations as the potential ordinary shares were not included in the calculation of diluted loss per share because they are anti-dilutive.

11. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
As at 1 January	9,542,078	8,591,359
Additions	177	92
Disposals	–	(2,480)
(Loss)/Gain on fair value changes recognised in profit or loss, net	(260,392)	1,097,751
Exchange realignment	(310,033)	(144,644)
As at 31 December	<u>8,971,830</u>	<u>9,542,078</u>

12. TRADE RECEIVABLES/RECEIVABLES ARISING FROM SECURITIES BROKING/LOAN RECEIVABLES

The following is an ageing analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates/date of rendering of services:

	2024 HK\$'000	2023 HK\$'000
Current to 30 days	57,647	76,488
31 to 60 days	8,091	21,603
61 to 90 days	580	18,883
91 to 365 days	13,716	69,305
Over 1 year	266,005	357,148
	<u>346,039</u>	<u>543,427</u>

Receivables arising from securities broking conducted in the ordinary course of business:

– Clearing house	–	1,829
– Cash clients accounts receivable	11,711	9,305
– Loans to margin clients	285,082	300,329
Less: allowance for credit losses	(1,391)	(978)
	<u>295,402</u>	<u>310,485</u>

Receivables arising from money lending conducted in the ordinary course of business:

– Loan receivables	490,227	554,092
Less: allowance for credit losses	(34,818)	(52,089)
	<u>455,409</u>	<u>502,003</u>
	<u>1,096,850</u>	<u>1,355,915</u>

13. TRADE PAYABLES/PAYABLES ARISING FROM SECURITIES BROKING

The following is an ageing analysis of trade payables based on invoice dates:

	2024	2023
	HK\$'000	HK\$'000
Current to 30 days	31,430	49,498
31 to 60 days	15,841	17,045
61 to 90 days	8,015	2,698
Over 90 days	119,653	15,720
	<u>174,939</u>	<u>84,961</u>
Payables arising from securities broking conducted in the ordinary course of business:		
– Clearing house	9,352	–
– Cash and margin clients accounts payable	87,005	77,285
	<u>96,357</u>	<u>77,285</u>
	<u>271,296</u>	<u>162,246</u>

14. BANK BORROWINGS

	2024	2023
	HK\$'000	HK\$'000
Bank borrowings		
– Secured	9,150,932	9,530,077
– Unsecured	8,466	29,840
	<u>9,159,398</u>	<u>9,559,917</u>

14. BANK BORROWINGS (Continued)

The contractual maturity dates of the bank borrowings are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Carrying amount of bank borrowings are repayable (note (d)):		
– Within one year	7,212,944	141,353
– More than one year but not more than two years	217,773	7,443,948
– More than two years but not more than five years	520,368	524,774
– Over five years	989,013	1,136,228
	8,940,098	9,246,303
Carrying amount of bank borrowings that contains a repayment on demand clause and shown under current liabilities:		
– Within one year	219,300	313,614
	9,159,398	9,559,917
Less: amounts due within one year shown under current liabilities	(7,432,244)	(454,967)
Amounts shown under non-current liabilities	1,727,154	9,104,950

Notes:

- (a) As at 31 December 2024, the Group's bank borrowings of HK\$219,300,000 (2023: HK\$313,614,000) bear interest rates of 2.1% to 2.5% (2023: 1.5% to 2.6%) over Hong Kong Interbank Offered Rate ("HIBOR") per annum.
- (b) As at 31 December 2024, the Group's bank borrowing of HK\$212,275,000 (2023: HK\$217,707,000) bears interest rate of 2.85% (2023: 2.85%) below Prime Rate per annum.
- (c) As at 31 December 2024, the Group's bank borrowings of HK\$8,727,823,000 (2023: HK\$9,028,596,000) bear interest rates from 3.35% to 6.2% (2023: 4.15% to 6.55%) per annum.
- (d) The amounts due are based on scheduled repayment dates set out in the loan agreements.
- (e) The Group's available banking facilities amounted to HK\$9,289,483,000 (2023: HK\$10,716,198,000), of which HK\$9,159,398,000 (2023: HK\$9,559,917,000) had been utilised as at 31 December 2024.

14. BANK BORROWINGS (Continued)

Notes: (Continued)

- (f) Certain bank borrowings of the Group were guaranteed by the Company up to HK\$8,426,385,000 (2023: HK\$8,753,017,000) and the subsidiaries of the Group up to HK\$8,934,248,000 (2023: HK\$8,618,844,000).
- (g) Certain bank borrowings of the Group were secured by certain of the Group's investment properties, leasehold land and buildings, properties under development and proposed development project with a carrying amount of HK\$8,912,130,000 (2023: HK\$9,468,378,000), HK\$346,648,000 (2023: HK\$535,418,000), HK\$3,371,492,000 (2023: HK\$3,331,175,000) and HK\$2,148,907,000 (2023: HK\$2,101,934,000) respectively as at 31 December 2024.
- (h) Certain bank borrowings of the Group were secured by securities collateral pledged to the Group by margin clients with market value of HK\$104,000,000 (2023: Nil), the Group's marketable securities with an aggregate fair value of Nil (2023: HK\$2,616,000) and shares of certain subsidiaries.
- (i) Certain bank borrowings of the Group were secured by the Group's restricted bank balances and deposits of Nil (2023: HK\$11,277,000).
- (j) Certain bank borrowings of the Group were guaranteed by the directors and controlling shareholders of the Company up to HK\$9,140,931,000 (2023: HK\$9,445,764,000) and the related parties of the Group up to HK\$295,588,000 (2023: HK\$308,419,000).
- (k) The Group's bank borrowings of HK\$8,466,000 (2023: HK\$29,840,000) were unsecured as at 31 December 2024.
- (l) Except for bank borrowings of HK\$8,727,823,000 (2023: HK\$9,028,596,000) which are denominated in RMB, all other bank borrowings are denominated in HK\$.

15. OTHER BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Borrowings from financial institutions (note (a)):		
– Secured	56,140	56,140
Other borrowings:		
– Secured (note (b))	200,000	56,500
– Unsecured (note (c))	50,000	90,882
Notes payable (note (d)):		
– Unsecured	–	68,546
	<u>306,140</u>	<u>272,068</u>

15. OTHER BORROWINGS (Continued)

The contractual maturity dates of the other borrowings are as follows:

	2024 HK\$'000	2023 HK\$'000
Carrying amount of other borrowings are repayable:		
– Within one year	250,000	166,838
– More than one year but not more than two years	–	22,590
	250,000	189,428
Carrying amount of other borrowings that contains a repayment on demand clause and shown under current liabilities		
– Within one year	56,140	82,640
	306,140	272,068
Less: amounts due within one year shown under current liabilities	(306,140)	(249,478)
Amounts shown under non-current liabilities	–	22,590

Notes:

- (a) The borrowings from financial institutions bear interest rate of 2.5% (2023: 2.5%) over Best Lending Rate per annum. The borrowings contain a repayment on demand clause and were guaranteed by the Company up to HK\$56,140,000 (2023: HK\$56,140,000) and were secured by the Group's investment properties with a carrying amount of HK\$59,700,000 (2023: HK\$73,700,000) as at 31 December 2024.
- (b) Included in secured other borrowings are:
 - (i) secured borrowings of HK\$200,000,000 (2023: HK\$30,000,000) which bear fixed interest rate of 12% per annum as at 31 December 2024;
 - (ii) borrowings of HK\$26,500,000 as at 31 December 2023 were under repurchase agreement, which the Group is required to repurchase the pledged securities at pre-determined date and interest rates within 12 months from the end of the reporting period. Such borrowings are pledged with the securities from the margin clients with market value of HK\$77,595,000 as at 31 December 2023 and were repaid in 2024;
 - (iii) a borrowing of HK\$150,000,000 (2023: Nil) from an independent third party was secured by certain shares of a subsidiary of the Group; and
 - (iv) a borrowing of HK\$50,000,000 (2023: HK\$30,000,000) from independent third parties were secured by securities collateral pledged to the Group by margin clients with market value of HK\$199,800,000 (2023: HK\$155,362,000) and guaranteed by a director and controlling shareholder of the Company.

15. OTHER BORROWINGS (Continued)

Notes: (Continued)

- (c) Included in unsecured other borrowings are:
- (i) unsecured borrowings of HK\$50,000,000 (2023: HK\$90,882,000) bear interest rate at 12% (2023: from 2% to 12%) per annum and is repayable in the next 12 months after the end of reporting period (2023: HK\$68,292,000 are repayable in the next 12 months after the end of reporting period and HK\$22,590,000 is not repayable in the next 12 months after the end of the reporting period);
 - (ii) a borrowing of HK\$50,000,000 (2023: Nil) from an independent third party was guaranteed by a director and controlling shareholder of the Company; and
 - (iii) a borrowing of HK\$22,031,000 was guaranteed by a subsidiary of the Group as at 31 December 2023.
- (d) As at 31 December 2023, the notes payable was unsecured and bore interest rate of 5.5% per annum, which was repaid in January 2024.

16. SHARE CAPITAL

	2024 HK\$'000	2023 HK\$'000
Authorised:		
20,000,000,000 (2023: 20,000,000,000) ordinary shares of HK\$0.10 each	<u>2,000,000</u>	<u>2,000,000</u>
Issued and fully paid:		
1,440,709,880 (2023: 1,440,709,880) ordinary shares of HK\$0.10 each	<u>144,071</u>	<u>144,071</u>

A summary of movements in the Company's share capital is as follows:

	Number of ordinary shares in issue	Share capital HK\$'000
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	<u>1,440,709,880</u>	<u>144,071</u>

17. DISCONTINUED OPERATIONS

As set out in the announcement dated 6 August 2024 of the Group, the Group entered into a sale and purchase agreement on 6 August 2024 with a connected party pursuant to Chapter 14A of the Listing Rules, to dispose of its entire issued share capital of Capital Financial Press Limited and its subsidiaries, which is Commercial Printing Segment, at a nominal consideration of HK\$1 and the Group has also agreed to procure its two wholly-owned subsidiaries to assign two debts amounted to HK\$2,967,000 to the connected party each at a nominal consideration of HK\$1 on 6 August 2024.

As set out in the announcement dated 1 November 2024 of the Group, the Group entered into a sale and purchase agreement (the “Agreement”) with Manureen Holdings Limited (“Manureen Holdings”), ultimate holding company, pursuant to which the Group has conditionally agreed to sell and Manureen Holdings has conditionally agreed to acquire a total of 985,471,362 shares of The Sincere Company, Limited (“Sincere”) at the consideration of HK\$387,782,980, representing 75% of the total issued shares as at the date of the Agreement, payable by Manureen Holdings by way of setting off against part of the shareholder’s loan owing by the Group to Manureen Holdings on a dollar-for-dollar basis.

Commercial Printing Segment and Department Store Segment were presented as discontinued operations in the consolidated statement of profit or loss for the year ended 31 December 2024. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present Commercial Printing Segment and Department Store Segment as a discontinued operations.

The (loss)/profit for the period/year from the discontinued operations is set out below.

	2024 HK\$'000	2023 HK\$'000
Loss of Commercial Printing Segment for the period/year	(6,156)	(5,339)
Loss of Department Store Segment for the period/year	(38,706)	(115,557)
Gain on disposal of Commercial Printing Segment	3,150	—
	(41,712)	(120,896)

17. DISCONTINUED OPERATIONS (Continued)

The results of discontinued operations for the period from 1 January 2024 to date of disposal, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

Commercial Printing Segment

	For the period from 1 January 2024 to 6 August 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Revenue	31,298	54,672
Cost of sales	(7,684)	(12,297)
	23,614	42,375
Other income	1	293
Other gains, net	245	–
Impairment losses, net	(110)	(52)
Selling and distribution expenses	(813)	(1,251)
Administrative expenses	(29,149)	(45,416)
Finance costs	(59)	(232)
	(6,271)	(4,283)
Income tax credit/(expense)	115	(1,056)
	(6,156)	(5,339)
Loss for the period/year from discontinued operation	(6,156)	(5,339)
	For the period from 1 January 2024 to 6 August 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Net cash flows from operating activities	937	6,860
Net cash flows from/(used in) investing activities	2,897	(3,124)
Net cash flows used in financing activities	(3,687)	(6,756)
	147	(3,020)
Net cash flows	147	(3,020)

The carrying amounts of the assets and liabilities of Commercial Printing Segment at the date of disposal are disclosed in note 18.

17. DISCONTINUED OPERATIONS (Continued)

Department Store Segment

	For the period from 1 January 2024 to 23 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Revenue	126,955	145,593
Cost of sales	(60,112)	(62,213)
	66,843	83,380
Other income	19,588	18,483
Other gains, net	30,079	388
Impairment loss on goodwill	—	(63,204)
Impairment losses, net	(143)	(84)
Selling and distribution expenses	(65,782)	(69,560)
Administrative expenses	(49,015)	(49,244)
Other operating expense	(18,484)	(10,327)
Finance costs	(22,142)	(25,727)
Loss before tax	(39,056)	(115,895)
Income tax credit	350	338
Loss for the period/year from discontinued operation	(38,706)	(115,557)
	For the period from 1 January 2024 to 23 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Net cash flows used in operating activities	(55,599)	(14,862)
Net cash flows from investing activities	206,466	72,373
Net cash flows used in financing activities	(235,905)	(63,005)
Net cash flows	(85,038)	(5,494)

The carrying amounts of the assets and liabilities of Department Store Segment at the date of disposal are disclosed in note 18.

18. DISPOSAL OF SUBSIDIARIES

Disposal of a subsidiary with a loss of control

Commercial Printing Segment

Consideration received

HK\$'000

Total consideration received in cash and cash equivalents

—*

* Amount less than HK\$1,000.

Analysis of assets and liabilities over which control was lost

As at

6 August 2024

HK\$'000

Plant and equipment	2,931
Deferred tax asset	423
Trade and other receivables	12,968
Financial assets at FVTPL	2,364
Bank balances and cash	3,092
Trade and other payables	(22,190)
Lease liabilities	(1,951)
Tax payable	(8)
Long service payment obligations	(745)
Net liabilities disposed of	(3,116)

18. DISPOSAL OF SUBSIDIARIES (Continued)**Disposal of a subsidiary with a loss of control (Continued)*****Commercial Printing Segment (Continued)*****Analysis of net outflow of cash and cash equivalents in respect of disposal of subsidiaries**

	2024 <i>HK\$'000</i>
Cash consideration	—*
Cash and cash equivalents disposed	<u>(3,092)</u>
Net cash outflow	<u><u>(3,092)</u></u>

* Amount less than HK\$1,000.

Gain on disposal of subsidiaries

	2024 <i>HK\$'000</i>
Consideration received	—*
Net liabilities disposed of	3,116
Cumulative exchange differences in respect of net assets of the subsidiaries reclassified from equity to profit or loss upon loss of control of subsidiaries	<u>34</u>
Gain on disposal	<u><u>3,150</u></u>

* Amount less than HK\$1,000.

The gain on disposal is included in the loss for the year from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

Department Store Segment**Consideration received**

	<i>HK\$'000</i>
Consideration received in cash and cash equivalents	—
Offset with loans from ultimate holding company	<u>387,783</u>
Total consideration received	<u><u>387,783</u></u>

18. DISPOSAL OF SUBSIDIARIES (Continued)**Disposal of a subsidiary with a loss of control (Continued)*****Department Store Segment (Continued)*****Analysis of assets and liabilities over which control was lost**

	As at 23 December 2024 HK\$'000
Property, plant and equipment	16,825
Goodwill	170,343
Other intangible assets	3,199
Equity instruments at FVTOCI	6,165
Pension scheme assets	25,758
Inventories	39,547
Trade and other receivables	233,182
Financial assets at FVTPL	3,267
Restricted bank balances and deposits	11,188
Bank balances and cash	7,656
Trade and other payables	(68,689)
Contract liabilities	(1,418)
Insurance contracts liabilities	(465)
Bank and other borrowings	(9,886)
Lease liabilities	(13,611)
Tax payable	(29)
Loan from a related company	(154,380)
Deferred tax liabilities	(528)
Long service payment obligations	(1,941)
	<hr/>
Net assets disposed of	266,183
	<hr/> <hr/>

Analysis of net outflow of cash and cash equivalents in respect of disposal of subsidiaries

	2024 HK\$'000
Cash consideration	–
Cash and cash equivalents disposed	(7,656)
	<hr/>
Net cash outflow	(7,656)
	<hr/> <hr/>

18. DISPOSAL OF SUBSIDIARIES (Continued)**Disposal of a subsidiary with a loss of control (Continued)*****Department Store Segment (Continued)*****Gain on disposal of subsidiaries**

	2024 HK\$'000
Consideration received	387,783
Net assets disposed of	(266,183)
Non-controlling interests	58,310
Cumulative exchange differences in respect of net assets of the subsidiaries reclassified from equity to profit or loss upon loss of control of subsidiaries	(645)
Gain on disposal	179,265

The gain on disposal is recognised within the capital reserve in the consolidated statement of changes in equity as the transaction is with controlling shareholder of the Group which the gain is treated, as equity transaction.

19. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Contracted, but not provided for:		
– Investment properties	249,600	249,600
– Properties under development	677,780	69,479
– Leasehold improvements	17,619	21,691
	944,999	340,770

20. LITIGATION

Deed and purported cancellation

On 15 May 2020, the Company and Sincere jointly announced a voluntary conditional cash offer (subject to the satisfaction or waiver (as the case may be) of certain pre-conditions) to acquire all of the issued shares of Sincere (the “Offer”).

On 29 October 2020, Win Dynamic Limited (“Win Dynamic”), the then controlling shareholder of Sincere, executed a deed in favour of Sincere at no consideration (the “Deed”). Pursuant to the Deed, Win Dynamic has irrevocably undertaken to Sincere to gift to Sincere the sum falling to be paid by the Company to Win Dynamic upon its acceptance of the Offer relating to all the 662,525,276 shares of Sincere held by it, which was expected to amount to approximately HK\$260,443,000 (after deducting Win Dynamic’s ad valorem stamp duty). As disclosed in the announcement of Sincere dated 29 October 2020, Sincere at that time intended that this gift from Win Dynamic, when received, would be applied as working capital of Sincere and its subsidiaries (“Sincere Group”).

On 4 February 2021, Sincere announced that the board of directors of Sincere (the “Sincere Board”) had received a letter from Win Dynamic dated 3 February 2021 stating Win Dynamic’s declaration that the Deed was null and void and cancelled with immediate effect, for the reason that it was executed by Win Dynamic under undue influence and duress, given without separate legal representation or proper advice, and was an undervalue transaction pursuant to section 265D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (the “Purported Cancellation”).

As stated in the Sincere’s announcement dated 4 February 2021, the Sincere Board (with Mr. Philip Ma and Mr. Charles M W Chan (collectively referred to as the “Dissenting Directors”) disagreeing) did not admit that the Deed was null or void or had been cancelled. For the interest of Sincere and its shareholders as a whole, the Sincere Board had resolved to include the review of the implication of the Purported Cancellation to the term of reference of the independent committee of the Sincere Board comprising independent non-executive directors, namely Mr. King Wing Ma, Mr. Eric K K Lo, Mr. Peter Tan and Mr. Anders W L Lau (collectively referred to the “Sincere IBC”). The Sincere IBC had thereafter sought separate legal advice in respect of the Purported Cancellation.

In response to a letter from the legal adviser of the Sincere IBC to Win Dynamic requesting for evidence to support its reason for the Purported Cancellation, Win Dynamic responded in its reply letter that its professional adviser had advised it not to provide to Sincere any information relating to the Deed.

The Company was informed, amongst other things, that the Sincere Board (except for the Dissenting Directors) (i.e. the Sincere IBC) did not admit that the Purported Cancellation was valid or effective. In response to an email from the legal adviser of the Sincere IBC to the legal adviser of the Company requiring the proceeds received by Win Dynamic from its sale of shares of Sincere to the Company to be paid to Sincere and not Win Dynamic, the legal adviser of the Company responded, amongst other things, that the Company would conduct the Offer, including but not limited to the settlement of the cash consideration for the valid acceptances of the Offer, in accordance with the terms and conditions of the Offer and in compliance with the Code on Takeovers and Mergers.

20. LITIGATION (Continued)

Deed and purported cancellation (Continued)

On 12 May 2021, Sincere was informed by the legal adviser of the Company that the Company had issued a writ of summons (the “Writ”) in the High Court of the Hong Kong Special Administrative Region (the “High Court”) against Win Dynamic on 10 May 2021 in relation to the Purported Cancellation (the “Action”). The Company claimed against Win Dynamic, among others, for an order of specific performance requiring Win Dynamic to forthwith pay Sincere the net proceeds in respect of Sincere’s shares tendered by Win Dynamic for acceptance of the Offer, after deducting the seller’s ad valorem stamp duty payable by it, amounted to approximately HK\$260,435,000 (the “WD Proceeds”).

The Company also applied to the High Court for an interlocutory injunction against Win Dynamic (the “Injunction Application”) on 11 May 2021 which was heard by the High Court on 14 May 2021. Upon hearing submissions from the parties, the High Court has adjourned the hearing of the Injunction Application to a date to be fixed for substantive argument, and the High Court has granted an interim-interim injunction, which shall remain in force pending the substantive determination of the Injunction Application, restraining Win Dynamic from, among others, (a) removing from Hong Kong any of its assets which are within Hong Kong, whether in its own name or not, and whether solely or jointly owned, up to the value of the WD Proceeds; or (b) in any way disposing of or dealing with or diminishing the value of any of its assets, which are within Hong Kong, whether in its own name or not, and whether solely or jointly owned, and whether or not Win Dynamic assets a beneficial interest in them up to the value of the WD Proceeds.

Sincere on 16 July 2021 resolved that it was in the interest of Sincere and its shareholders to commence legal proceedings against Win Dynamic in relation to the Purported Cancellation. At the initiation of the Company, Sincere had agreed to be joined as a party to the Action. By the consent of the Company and Win Dynamic, on 9 November 2021, the High Court ordered, amongst other things, the Company be given leave to (i) join Sincere as the 2nd plaintiff and Mr. Philip Ma as the 2nd defendant in the Action, and (ii) amend the Writ and the statement of claim in relation to the Purported Cancellation.

On 15 November 2021, the Company and Sincere amended the statement of claim against Win Dynamic and Mr. Philip Ma. Sincere claimed against Win Dynamic and Mr. Philip Ma for, among others, (i) an order of specific performance of the Deed requiring Win Dynamic to forthwith pay Sincere the WD Proceeds, or such other sum as the High Court may determine; and (ii) a declaration that the Deed is valid and binding, and Mr. Philip Ma had breached his contractual and/or fiduciary duties to Sincere.

Win Dynamic and Mr. Philip Ma had filed and served their Defence and Counterclaim in the Action on 18 January 2022 and 14 March 2022 respectively. Win Dynamic and Mr. Philip Ma averred, among others, that the Company and Sincere were not entitled to any remedy against them. They further counterclaimed against the Company and Sincere for, among others, a declaration that the Deed is null and void and/or unenforceable, or alternatively, that the Deed was lawfully rescinded, cancelled or revoked by Win Dynamic and is of no legal effect.

Further details were disclosed in the announcements of Sincere dated 29 October 2020 and 4 February 2021, the offer document of the Company dated 5 May 2021 (the “Offer Document”) and the response document of Sincere dated 20 May 2021 (the “Response Document”).

20. LITIGATION (Continued)

Deed and purported cancellation (Continued)

The Company and Sincere filed and served their Reply and Defence to Win Dynamic's Counterclaim on 10 May 2022, and their Reply and Defence to Mr. Philip Ma's Counterclaim on 8 June 2022 respectively. The Company and Sincere averred that the Deed is enforceable and cannot be legally revoked.

The Company and Sincere filed and served their Re-Amended Statement of Claim on 14 November 2022. The Company and Sincere averred that Sincere is a joint promisee under the 2nd agreement together with the Company. The 2nd agreement of which the Deed is an integral part was intended to benefit Sincere and consisted of an undertaking or promise on the part of Win Dynamic to benefit Sincere, namely to vest the benefit of the WD Proceeds or an equivalent sum in Sincere, which shall be used as its working capital after the Company becomes its controlling shareholder.

Win Dynamic filed and served its Amended Defence and Counterclaim and Mr. Philip Ma had filed and served his Amended Defence and Counterclaim on 9 December 2022. Win Dynamic and Mr. Philip Ma averred that the alleged 2nd Agreement (even if existed) and the Deed are null and void or unenforceable. They further averred that neither Dr. Lin, who had no authority to act on behalf of Sincere at the material time whether as alleged or at all, nor Mr. Philip Ma had agreed on behalf of Sincere that Sincere would apply the WD Proceeds as working capital after the Company becomes the controlling shareholders of Sincere.

The Company and Sincere filed and served their Amended Reply and Defence to the Counterclaim of Win Dynamic, and their Amended Reply and Defence to the Counterclaim of Mr. Philip Ma on 9 February 2023. The Company and Sincere averred that that Dr. Lin was acting on behalf of Sincere in respect of a promise which would take effect after the Company becomes the controlling shareholder of Sincere.

On 7 September 2023, Win Dynamic informed the Company that the WD Proceeds which was maintained with Citibank N.A. Hong Kong ("Citibank") had been placed in its fixed deposit account on 31 July 2023.

On 22 February 2024, Win Dynamic applied to the High Court to further amend the injunction order made on 14 May 2021 as continued and varied by the order made on 6 April 2022 (the "Injunction Order") thereby allowing the WD Proceeds to be placed in fixed deposit account to generate interest returns.

On 5 March 2024, the Company applied to the High Court for an order that Win Dynamic to disclose the current location of the WD Proceeds maintained with Citibank.

On 8 March 2024, the High Court granted leave to Win Dynamic that it is at liberty, with the Company's written consent, to place the WD Proceeds maintained with Citibank in fixed deposit account, and further ordered Win Dynamic to disclose the current location of the WD Proceeds maintained with Citibank.

20. LITIGATION (Continued)

Deed and purported cancellation (Continued)

On 14 March 2024, Win Dynamic made disclosure pursuant to the High Court's order made on 8 March 2024.

On 18 March 2024, the parties filed and exchanged their respective witness statements.

On 18 June 2024, Win Dynamic and Mr. Philip Ma applied to the High Court for leave to adduce expert evidence ("Expert Application"). The Company opposed to the Expert Application.

On 23 July 2024, Mr. Philip Ma filed a supplemental witness statement.

On 10 September 2024, the Company applied to the High Court for disclosure of Win Dynamic's business expenses and legal expenses in respect of the WD Proceeds maintained with Morton Securities Limited ("Morton" and "WD-Morton Disclosure Application", respectively). Win Dynamic opposed to the WD-Morton Disclosure Application.

Sincere and the Company filed supplemental witness statements on 11 November 2024, 20 December 2024 and 7 February 2025.

On 6 March 2025, Win Dynamic and Mr. Philip Ma filed a further supplemental witness statement.

On 14 April 2025, the parties are due to attend the High Court to argue on the Expert Application and the WD-Morton Disclosure Application substantively.

The date of trial has not been fixed.

During the year ended 31 December 2021, Sincere sought legal advice in respect of this Action and was advised that (i) the Deed is enforceable, and (ii) Sincere has legal and contractual rights over the WD Proceeds. Therefore, the WD Proceeds is initially recognised as "Gift receivable from Win Dynamic" under "Prepayments, deposits, other receivables and other assets" with an amount of HK\$150,001,000, being the fair value of the WD Proceeds which is determined based on a credit-adjusted effective interest rate of 9.66%, with a corresponding gift receivable from the then controlling shareholder of Sincere recognised under "General and other reserves".

During the years ended 31 December 2024 and 2023, Sincere sought legal advices in respect of the recoverability of gift receivable from Win Dynamic.

The carrying amount of gift receivable from Win Dynamic amounted to HK\$191,939,000, net of ECL allowance of HK\$1,111,000 as at 31 December 2023, which became Nil as at 31 December 2024 due to the disposal of subsidiaries as disclosed in note 18. During the year ended 31 December 2024, the Group has also recognised imputed interest income on gift receivable from Win Dynamic of HK\$18,484,000 (2023: HK\$17,623,000) and loss on modification of gift receivable from Win Dynamic under "Non-operating expenses" of HK\$18,434,000 (2023: Nil) under "Loss for the year from discontinued operations".

MANAGEMENT DISCUSSION AND ANALYSIS

Upon the completion of disposals of the financial printing, digital printing and other related services (the “Commercial Printing Segment”) and the operation of department stores and the provision of general and life insurances (the “Department Store Segment”) on 6 August 2024 and 23 December 2024 respectively, the principal activities of the Group mainly included property investment, development and commercial operation (the “Property Segment”); financial services, included corporate finance advisory, asset management, securities brokerage services, margin financing and money lending (the “Financial Services Segment”); environmental protection industry, mainly dismantling, processing, trading and sales of scrap materials (the “EP Segment”); distribution and sales of motor vehicle parts (the “MVP Segment”); and provision of citizenship application and consultancy services on citizenship by investment programme and development of project in Grenada which integrates a collection of educational facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities (“Latin America and Caribbean Segment” or “LAC Segment”).

OVERALL FINANCIAL REVIEW

For the year ended 31 December 2024 (“FY2024”), the Group recorded a total revenue of HK\$428.4 million, representing a decrease of 28.7% as compared to HK\$601.2 million for the year ended 31 December 2023 (“FY2023”). The Group recorded a net loss of HK\$956.5 million in FY2024 as compared to a net profit of HK\$41.3 million in FY2023, which comprised (i) net loss from continuing operations of HK\$914.8 million (FY2023: net profit from continuing operations of HK\$162.1 million); and (ii) net loss from discontinued operations of HK\$41.7 million (FY2023: HK\$120.9 million).

Revenue and gross profit

The following was an analysis of the Group’s revenue by operating and reportable segments:

	FY2024		FY2023		Increase/(decrease) in revenue	
	<i>HK\$' million</i>	<i>% to total revenue</i>	<i>HK\$' million</i>	<i>% to total revenue</i>	<i>HK\$' million</i>	<i>% of changes</i>
Property Segment	42.5	9.9%	19.3	3.2%	23.2	120.2%
Financial Services Segment	132.4	30.9%	142.5	23.7%	(10.1)	(7.1%)
EP Segment	229.2	53.5%	357.8	59.5%	(128.6)	(35.9%)
MVP Segment	1.7	0.4%	43.1	7.2%	(41.4)	(96.1%)
LAC Segment	20.0	4.7%	34.8	5.8%	(14.8)	(42.5%)
Others	2.6	0.6%	3.7	0.6%	(1.1)	(29.7%)
Total	<u>428.4</u>	<u>100.0%</u>	<u>601.2</u>	<u>100.0%</u>	(172.8)	(28.7%)

The Group's revenue was HK\$428.4 million in FY2024, representing a decrease of HK\$172.8 million or 28.7% as compared to HK\$601.2 million in FY2023. The decrease was mainly attributable to the net effect of decrease in EP Segment, MVP Segment, Financial Services Segment and LAC Segment of HK\$128.6 million, HK\$41.4 million, HK\$10.1 million and HK\$14.8 million respectively. The aggregate decrease in revenue generated from these segments was partially offset by the increase in Property Segment of HK\$23.2 million. Reasons for the changes in relevant segment revenue were set out in the section of Financial Review of each segment.

Gross profit decreased by HK\$40.7 million to HK\$152.9 million in FY2024 (FY2023: HK\$193.6 million).

Other income

Other income was HK\$13.5 million in FY2024 as compared to HK\$13.2 million in FY2023 which mainly comprised (i) interest income on credit-impaired loan receivables of HK\$7.0 million (FY2023: HK\$7.0 million); (ii) bank interest income of HK\$2.9 million (FY2023: HK\$2.5 million); and (iii) dividend income of HK\$ 2.1 million (FY2023: HK\$1.9 million).

Other gains, net

Other gains, net was HK\$109.2 million in FY2024 as compared to HK\$57.8 million in FY2023 which comprised net foreign exchange gain of HK\$109.9 million (FY2023: HK\$59.4 million) and unrealised fair value gain on financial assets at fair value through profit or loss ("FVTPL") of HK\$0.3 million (FY2023: unrealised fair value loss of HK\$2.9 million).

Due to the depreciation of Renminbi against Hong Kong Dollar during FY2024 and FY2023, the Group recorded a net foreign exchange gain of HK\$109.9 million (FY2023: HK\$59.4 million) which was resulted from the translation of liabilities of the Company denominated in Renminbi.

The Group invested in listed securities in Hong Kong, club and school debentures in Hong Kong and other investment for investment purpose and classified as financial assets at FVTPL. As at 31 December 2024, the financial assets at FVTPL amounted to HK\$68.4 million (2023: HK\$68.5 million) which comprised listed securities of HK\$60.3 million (2023: HK\$54.2 million), club and school debentures of HK\$8.1 million (2023: HK\$13.3 million) and other investment of Nil (2023: HK\$1.0 million).

Reversal of provision for properties under development

In FY2024, the Group recorded a reversal of provision for properties under development of HK\$32.1 million (FY2023: HK\$62.1 million) which was due to the increase in construction works in the Qiankeng Property project from the fourth quarter of 2023 to FY2024.

Impairment losses, net

In FY2024, the Group recorded impairment losses of HK\$132.4 million (FY2023: HK\$48.3 million) which represented a net effect of an increase in expected credit losses of trade receivables of HK\$149.3 million (FY2023: HK\$45.1 million), receivables arising from securities broking of HK\$0.4 million (FY2023: HK\$0.3 million) and a decrease in expected credit losses of loan receivables of HK\$17.3 million (FY2023: an increase of HK\$2.9 million).

The increase in expected credit losses of trade receivables of HK\$149.3 million in FY2024 was mainly due to the increase in credit risk from the long outstanding trade receivables arising from EP Segment and MVP Segment.

(Loss)/gain on fair value changes of investment properties, net

In FY2024, the Group recorded net loss on fair value changes of investment properties of HK\$260.4 million (FY2023: net gain on fair value changes of HK\$1,097.8 million), which was mainly attributable to the property markets in Hong Kong and the Mainland China faced challenges since the stimulus policies for the property markets generated short-term effects only in FY2024.

In FY2023, the net gain on fair value changes of investment properties was HK\$1,097.8 million which was mainly attributable to the gain on revaluation of investment properties of the Group in respect of Phase I of Realord Technology Park of approximately HK\$938.5 million.

Selling and distribution expenses

Selling and distribution expenses mainly represented (i) amortisation of other intangible assets of customer relationship arising from the acquisition of Realord Century Service Company Limited and its subsidiary, Hartman Culture Development (Shanghai) Co., Ltd.* (哈特曼文化發展(上海)有限公司) and Realord Century Business Service (Shenzhen) Co., Ltd.* (偉祿世紀商務服務(深圳)有限公司) and (ii) business development expenses.

There was a decrease in selling and distribution expenses by HK\$8.0 million from HK\$14.3 million in FY2023 to HK\$6.3 million in FY2024 since other intangible assets of customer relationship was fully amortised in February 2024.

* For identification purpose only

Administrative expenses

Administrative expenses mainly represented staff costs, depreciation of right-of-use assets and legal and professional fees.

The decrease in administrative expenses by HK\$12.9 million from HK\$180.6 million in FY2023 to HK\$167.7 million in FY2024 was mainly resulted from (i) the reduction of staff costs by HK\$10.4 million mainly from Financial Services Segment; and (ii) the reduction of HK\$2.7 million in the depreciation of right-of-use assets of office premises in LAC Segment and MVP Segment.

Finance costs

Finance costs mainly represented interests on bank borrowings, other borrowings, loans from ultimate holding company and loan from a related company. Finance costs decreased by HK\$41.4 million mainly due to the net effect of (i) decrease in interest on bank borrowings by HK\$68.6 million mainly due to the decrease in loan interest expenses incurred for the borrowings denominated in Renminbi as a result of depreciation of Renminbi against Hong Kong Dollar and reduction of interest rates in the Mainland China; (ii) increase in interest on other borrowings by HK\$7.1 million; and (iii) increase in interest on loans from ultimate holding company by HK\$21.9 million.

Net (loss)/profit

The net loss was HK\$956.5 million in FY2024 as compared to the net profit of HK\$41.3 million in FY2023. The change of Group's result was resulted from the net effect of (i) a change from net gain on fair value changes (net of deferred tax impact) of investment properties of HK\$828.6 million in FY2023 to net loss on fair value changes (net of deferred tax impact) of HK\$201.4 million in FY2024; (ii) reversal of provision for properties under development (net of deferred tax impact) of HK\$24.1 million (FY2023: HK\$46.6 million); and (iii) net impairment losses of HK\$132.4 million (FY2023: HK\$48.3 million).

The aforesaid adverse impacts on the result has been partially alleviated by (i) net foreign exchange gain of HK\$109.9 million (FY2023: HK\$59.4 million); (ii) finance costs of HK\$699.1 million (FY2023: HK\$740.4 million); and (iii) loss from discontinued operations of HK\$41.7 million (FY2023: HK\$120.9 million).

FINANCIAL REVIEW OF EACH SEGMENT

Continuing operations

Property Segment

The revenue of Property Segment was mainly derived from the rental income of the Group's investment properties. The Group generated rental income of HK\$42.5 million in FY2024 (FY2023: HK\$19.3 million). The increase in rental income was mainly generated from the accrued effective rental income from the Phase I of Realord Technology Park in FY2024.

Property Segment recorded a segment loss of HK\$533.0 million in FY2024 (FY2023: segment profit of HK\$782.5 million). The segment result was mainly resulted from net effect of the net loss on fair value changes of investment properties of HK\$260.4 million and reversal of provision for properties under development of the Qiangkeng Property of HK\$32.1 million (FY2023: net gain on fair value changes of HK\$1,097.8 million and reversal of provision of HK\$62.1 million). The reasons for the changes are set out in “(Loss)/gain on fair value changes of investment properties, net” and “Reversal of provision for properties under development” above.

Financial Services Segment

The revenue of Financial Services Segment was HK\$132.4 million in FY2024, which decreased by HK\$10.1 million or 7.1% as compared to HK\$142.5 million in FY2023. The decrease in segment revenue was due to the net effect of (i) decrease in interest income from money lending business and margin financing business by HK\$12.1 million and HK\$9.5 million respectively; (ii) decrease in commission income from securities broking of HK\$20.6 million; and (iii) increase in income from financial services by HK\$32.1 million.

Financial Services Segment recorded a segment profit of HK\$78.1 million in FY2024, representing an increase of HK\$2.4 million as compared to HK\$75.7 million in FY2023. The increase was mainly resulted from net effect of (i) reversal of provision for expected credit losses on trade receivables of HK\$2.2 million (FY2023: provision for expected credit loss of HK\$5.8 million); (ii) reversal of provision for expected credit losses on loan receivables of HK\$17.3 million (FY2023: provision for expected credit losses of HK\$2.9 million); (iii) decrease in staff costs of HK\$7.5 million; and (iv) decrease in legal and professional fees and securities trading expenses by HK\$3.0 million. The abovesaid effect was partially offset by (i) decrease in revenue of HK\$10.1 million; and (ii) increase in referral and/or commission expenses for share placement and underwriting projects of HK\$26.4 million.

EP Segment

The revenue of EP Segment decreased by HK\$128.6 million from HK\$357.8 million in FY2023 to HK\$229.2 million in FY2024 since the Group imposed stricter credit control on customers and concentrated its business in Japan market.

EP Segment recorded a segment loss of HK\$129.2 million in FY2024 as compared to HK\$29.9 million in FY2023. The segment loss was mainly attributable to (i) decrease in gross profit resulted from decrease in revenue; and (ii) increase in provision for expected credit losses from long outstanding trade receivables resulting from the delay in repayments from customers.

MVP Segment

The revenue of MVP Segment decreased by HK\$41.4 million from HK\$43.1 million in FY2023 to HK\$1.7 million in FY2024 since the Group imposed stricter credit control on customers and downsized its scale of operations.

MVP Segment recorded a segment loss of HK\$32.0 million in FY2024 as compared to HK\$10.3 million in FY2023. The segment loss was mainly attributable to (i) decrease in revenue; and (ii) increase in provision for expected credit losses from long outstanding trade receivables resulting from the delay in repayments from customers.

LAC Segment

The revenue of LAC Segment generated from provision for citizenship application and consultancy services on citizenship by investment programme (“CBI Programme”) was HK\$20.0 million in FY2024 as compared to HK\$34.8 million in FY2023. Decrease in revenue was mainly due to decrease in number of application granted by the Minister of Grenada.

LAC Segment recorded a segment loss of HK\$14.4 million in FY2024 as compared to HK\$8.8 million in FY2023. The segment loss was mainly attributable to the net effect of (i) decrease in revenue of HK\$14.8 million; and (ii) decrease in amortisation of other intangible assets of customer relationship by HK\$6.1 million due to fully amortisation in February 2024.

Discontinued operations

Commercial Printing Segment

During the year ended 31 December 2024, the Group disposed Capital Financial Press Limited and its subsidiaries which were principally engaged in financial printing, digital printing and other related services. For details, please refer to the Company’s announcement on 6 August 2024. The Group recorded a loss of HK\$3.0 million from discontinued operation comparing to HK\$5.3 million in FY2023.

Department Store Segment

During the year ended 31 December 2024, the Group disposed 75% of the issued shares of The Sincere Company, Limited (stock code: 0244) and its subsidiaries which were principally engaged in the operation of department stores and the provision of general and life insurances. For details, please refer to the Company’s announcement on 1 November 2024. The Group recorded a loss of HK\$38.7 million from discontinued operation comparing to HK\$115.6 million in FY2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow, cash reserve, banking facilities, other borrowings and facility provided by the ultimate holding company. The Group is financially sound with healthy cash position. The Group's cash and bank balances as at 31 December 2024 amounted to HK\$30.7 million (2023: HK\$153.3 million) which were mainly denominated in HK\$ and RMB (2023: HK\$ and RMB).

The gearing ratio of the Group as at 31 December 2024 was 456.3% (2023: 364.8%), which was calculated based on the interest-bearing borrowings denominated in HK\$ and RMB (2023: HK\$ and RMB) of HK\$12,327.8 million (2023: HK\$13,105.8 million) and divided by the equity attributable to owners of the Company of HK\$2,701.7 million (2023: HK\$3,592.9 million). The interest-bearing borrowings carried interest rate ranging from 2.775% to 12% per annum (2023: 3.275% to 12% per annum) with maturity ranging from within 1 year to 26 years (2023: within 1 year to 27 years).

The Directors consider that the Group's cash holding, liquid assets, future revenue, available banking facilities and the facility provided by the ultimate holding company will be sufficient to fulfill the present working capital requirement of the Group.

FOREIGN EXCHANGE

Most of the transactions of the Group were denominated in Hong Kong Dollars, US Dollars, Japanese Yen, Renminbi and East Caribbean Dollars. The reporting currency of the Group is Hong Kong dollars.

The Group is exposed to foreign exchange risk arising from exposure in the US Dollars, Japanese Yen, Renminbi and East Caribbean Dollars against Hong Kong Dollars. The management has continuously monitored the level of exchange rate exposure and shall adopt financial hedging instruments for hedging purpose when necessary. The Group did not use any financial instruments for hedging purpose as at 31 December 2024.

FINANCIAL GUARANTEES AND CHARGES ON ASSETS

As at 31 December 2024, corporate guarantees amounting to HK\$8,426.4 million (2023: HK\$8,753.0 million) were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries while corporate guarantees amounting to HK\$8,426.4 million (2023: HK\$8,733.0 million) was given to banks in the Mainland China by the Company for the provision of general banking facilities granted to its subsidiaries in the Mainland China. Besides, the general banking facilities granted to the subsidiaries of the Company were secured by legal charges on certain investment properties, leasehold land and buildings, properties under development and proposed development project owned by the Group with a total net book value of HK\$8,912.1 million (2023: HK\$9,468.4 million), HK\$346.6 million (2023: HK\$535.4 million), HK\$3,371.5 million (2023: HK\$3,331.2 million) and HK\$2,148.9 million (2023: HK\$2,101.9 million) respectively. Besides, certain bank borrowings were secured by

securities collateral pledged to the Group by margin clients with market value of HK\$104.0 million (2023: Nil), the Group's marketable securities with an aggregate fair value of Nil (2023: HK\$2.6 million), the Group's restricted bank balances and deposits of Nil (2023: HK\$11.3 million) and shares of certain subsidiaries. Meanwhile, personal guarantees amounting to HK\$9,140.9 million (2023: HK\$9,445.8 million) were given to banks by the directors and controlling shareholders of the Company for the provision of general banking facilities granted to its subsidiaries. Besides, guarantees amounting to HK\$295.6 million (2023: HK\$308.4 million) was given to banks by the related parties of the Group for the provision of general banking facilities granted to its subsidiaries while corporate guarantees amounting to HK\$295.6 million (2023: HK\$288.4 million) was given to banks in the Mainland China by the related parties of the Group for the provision of general banking facilities granted to its subsidiaries in the Mainland China.

For other borrowings from financial institutions as at 31 December 2024, corporate guarantees amounting to HK\$56.1 million (2023: HK\$56.1 million) were given to the financial institutions by the Company for the provision of other borrowings granted to the subsidiaries. Besides, the other borrowings granted to the subsidiaries of the Company were secured by legal charges on certain investment properties with carrying amount of HK\$59.7 million (2023: HK\$73.7 million). Moreover, certain other borrowings were secured by securities collateral pledged to the Group by margin clients with market value to HK\$199.8 million (2023: HK\$155.4 million). Besides, personal guarantees up to HK\$100.0 million (2023: HK\$30.0 million) were given to independent third parties by a director and controlling shareholder of the Company for the provision of other borrowings granted to the Company. In addition, certain other borrowings were secured by certain shares of a subsidiary of the Group. Besides, certain other borrowings to the subsidiaries of the Company were under repurchase arrangement by using the securities collateral pledged to the Group by margin clients with market value of Nil (2023: HK\$77.6 million).

BUSINESS REVIEW OF EACH SEGMENT

During the year ended 31 December 2024, the global economy and business performance remained challenging. The challenges were resulted from the uncertain of global economic growth specially the impact from US-China trade tension and the unstable international geopolitics specially the impact from Russo-Ukrainian conflict and Israel-Hamas war.

Set out below is the review of each segment of the Group's business.

Property Segment

The Group held three investment property projects namely Realord Villas and Zhangkengjing Property in Longhua District, and Realord Technology Park in Guangming District in Shenzhen, the PRC. The Group also held proposed development project and properties under development namely Laiying Garden in Nanshan District and Qiankeng Property in Longhua District respectively in Shenzhen, the PRC. There were five property projects on hand as at 31 December 2024 and 2023.

In FY2024, there were various development progress on five property projects. Firstly, for Realord Villas, up to the date of report, the number of tenants of Sincere Mall was 49 including children's amusement park, education training centres, restaurants, fitness studios and billiard room. Secondly, for Realord Technology Park, the construction scale was approximately 110,000 square meters. For Phase I, a lease agreement was signed with hotel operator under a lease term starting from 2024. For Phase II, the development plan will be started once government approval is granted. Thirdly, for Qiankeng Property, the construction scale was approximately 166,000 square meters and the redevelopment works were processing since the Group obtained the construction permits on earthwork and foundation construction in October 2023. In May 2024, the construction planning permit was obtained from relevant government authority. In July 2024, the construction permit was obtained and the redevelopment works on basement main structure engineering were processing up to the date of report. Fourthly, for Zhangkengjing Property, the application of change of land use from industrial use to residential apartments and commercial use was still under review as at the reporting date. Fifthly, for Laiying Garden, the Group obtained the land use permit from relevant government authority in July 2023 and obtained the construction permit on earthwork and foundation construction in March 2024 and the redevelopment works on foundation and earthwork construction were still being processed up to the date of report.

Financial Services Segment

In FY2024, the US Federal Reserve cut interest rates since the third quarter of 2024 which stimulated the Hong Kong stock market became more active. Financial Services Segment is committed to providing diversified and premium services to customers in the primary and secondary markets.

Margin financing business

Business model

The margin financing business forms an integral part of the securities brokerage business under the Financial Services Segment. The Group provides margin loans to its brokerage clients. Funding for this business is from bank loans, other borrowings from financial institutions and internal resources of the Group. The margin financing operation of the Group is based on the loan-to-collateral ratio (the “Collateral Ratio”) set by the credit department for each of the securities with reference to its liquidity, risk profile and financial strength of the underlying entities and the loan-to-collateral ratio adopted by banks. Margin clients are required to pledge deposits and/or liquid securities as collaterals to the Group in order to obtain margin facilities for securities trading.

As at 31 December 2024, 77.7% (2023: 70.9%), 22.3% (2023: 4.2%) and Nil (2023: 24.9%) of the total loan balance to margin financing clients of HK\$285.1 million (2023: HK\$300.3 million) were from individual investors, corporate investors and professional investors as defined under Part 1 of Schedule 1 of Section 397 of the Securities and Futures Ordinance (Cap.571D), respectively.

Credit policy

The Group has established a credit assessment committee (the “Margin Financing CAC”) presently comprising four members (including the chief financial officer of the Company, two responsible officers and a director of the securities brokerage company). The Margin Financing CAC is responsible for establishing credit policy, approving margin limit, and monitoring the credit exposure of the margin financing business.

To perform credit assessment (the “Credit Assessment”) on the clients, the credit risk staff team (the “Credit Risk Team”), which currently has two staff, will conduct the following procedures:

- (i) “know your client” procedures including:
 - (a) checking the background of client;
 - (b) if the client is a corporate client, checking the background of the shareholder(s) and the ultimate beneficial owner(s), and business operations of such corporate client, obtaining and reviewing corporate documents of the corporate client including but not limited to the constitution documents and financial statements;

- (ii) assessment of the repayment ability and credit quality of client based on:
 - (a) for individual client, his/her occupation, proof of income, proof of assets, proof of financial standing, historical trading pattern, and historical settlement records with the Group (if applicable); and
 - (b) for corporate client, its latest available financial statements, leverage level, assets quality, external credit rating, historical trading pattern, and historical settlement records with the Group (if applicable).

Upon satisfactory on the results of the Credit Assessment, the Credit Risk Team shall recommend to the Margin Financing CAC's approval of the applicable margin limit with reference to the repayment ability and the credit quality of the client and the client's collaterals. The Margin Financing CAC shall review and make the decision to approve, reject or modify the margin limit and/or terms on the margin loan.

The Credit Risk Team is also responsible for on-going monitoring of the Collateral Ratio. The Margin Financing CAC will review the Collateral Ratio quarterly.

Key internal control measures

The Group has adopted the following key internal control measures to monitor its margin financing business:

- (i) on a daily basis, a team comprising the head of customer service of the securities brokerage company and its responsible officer (who is also a member of the Credit Risk Team) for monitoring margin financing (the "Margin Monitoring Team") will generate a margin call report which shows the clients' margin status and identify if there is any shortfall in clients' collaterals;
- (ii) for any insufficient collaterals identified, the Margin Monitoring Team shall make immediate margin calls for additional collateral;
- (iii) in the event the clients fail to mitigate the shortfall of their collaterals, the Margin Monitoring Team shall make timely report to the responsible officers of securities brokerage company who will consider the necessary actions to take including but not limited to forced liquidation of the clients' position;
- (iv) the Margin Monitoring Team shall also closely monitor any unusual movements, corporate news or trading halts/suspensions of all underlying securities related to outstanding margin financing facilities in order to mitigate the clients' credit risk and report to the responsible officers of all relevant incidents as and when arise, for the responsible officers to consider further actions; and

- (v) the responsible officers of securities brokerage company shall report to the management of the Group on any material adverse incidents on margin financing operation.

Major terms of loans and concentration of loans on major clients

During the year ended 31 December 2024, the interest rate of the margin financing was charged at a range of 5% to 20.25% (2023: a range of 5% to 20.875%) subject to the credibility of the clients and quality of the securities collateral. The Group's largest margin client and the five largest margin clients accounted for 17.3% (2023: 14.3%) and 55.7% (2023: 52.0%) of the total loan balance to margin clients as at 31 December 2024. As at 31 December 2024, the Group's largest margin client was an individual client (2023: an individual client) and the Group's five largest margin clients included 4 individual investors and 1 corporate investor (2023: 3 individual investors and 2 professional investors).

Recoverability and impairment assessment

The Group measures the impairment loss on the basis of lifetime expected credit losses assessment for the loan receivables from margin financing clients. The Group monitors the market conditions and adequacy of securities collateral and margin deposits of each margin account on a daily basis. Margin calls and/or forced liquidation will be made where necessary. The Group reviews the recoverable amount of each individual receivable at the end of each reporting period to ensure that adequate provision for impairment losses is made for irrecoverable amounts. As part of the Group's credit risk management, the Group estimates impairment loss on loans to margin clients individually by reference to any historical default or delay in payments, historical settlements record and current past due exposure of each client.

During the year ended 31 December 2024, the net provision for impairment loss on receivables arising from loans to margin clients of HK\$0.4 million (FY2023: HK\$0.3 million) was recognised. The net provision for impairment loss of HK\$0.4 million in FY2024 represented general provision (FY2023: the net provision for impairment loss was composed of reversal of general provision of HK\$0.4 million and recognition of specific provision of HK\$0.7 million). General provision for impairment loss was provided for margin loan balances with insufficient collaterals while specific provision for impairment loss was provided for specific credit-impaired margin loan balances on individual assessment of their creditworthiness.

As at 31 December 2024, 88% (2023: 92%) of the margin loan balances were secured by sufficient collaterals. A slight increase in margin loan balances with insufficient collaterals was resulting in a slight increase in general provision recognised during the year ended 31 December 2024.

Money lending business

Business model

The Group provides loans to clients with tailored made liquidity solutions and its clients are mainly solicited from business referrals of existing clients or business connections of the management team of the Group. Securities brokerage division also refers the brokerage clients who have financing needs to the money lending division with a view to providing one-stop financing solutions to the clients. The funding for money lending business is mainly from internal resources of the Group. As at 31 December 2024, 42.8% (2023: 64.6%) and 57.2% (2023: 35.4%) of the total loan balance to money lending clients of HK\$490.2 million (2023: HK\$554.1 million) were corporate and individual clients, respectively.

Credit policy

The Group has established a credit assessment committee (the “Money Lending CAC”) presently comprising two members (including the chief financial officer of the Company and a director of the money lending company). The Money Lending CAC is responsible for establishing credit policy, approving loan terms, and monitoring the credit exposure of the money lending business.

To perform the Credit Assessment on the client, the Credit Risk Team shall conduct the same procedures as that of margin financing operation including (i) “know your client” procedures; and (ii) assessment of the repayment ability and credit quality of client, details of which are set out in the paragraphs of “Credit policy” in the session headed “Margin Financing Business” above.

Upon satisfactory on the results of the Credit Assessment, a team comprising a director of the money lending company (who is also a member of the Money Lending CAC) and an officer of the money lending company (the “Money Lending Team”) will propose loan terms (the “Proposed Loan Terms”), including but not limited to interest rate, tenor, collateral and guarantee, if applicable, to the Money Lending CAC based on the prevailing market condition, repayment ability and credit quality of the client and the client’s financial need. The Proposed Loan Terms will be reviewed and approved by the Money Lending CAC and were determined on case-by-case basis.

The Money Lending Team is responsible for on-going monitoring of the status of the loans granted by the money lending company and assessing the credit exposure risks of its loan portfolio from time to time.

Key internal control measures

The Group has adopted the following key internal control measures to monitor its money lending business:

- (i) on monthly basis, the Money Lending Team will prepare a monthly loan profile summary which will be reviewed by the Money Lending CAC to identify if there is any loan overdue;
- (ii) for any loan being overdue, the Money Lending Team will immediately notify the Money Lending CAC, and provide regular updates on the progress of the collection of the outstanding balance of the loans and commence procedures to recover the outstanding balance, if applicable, in accordance with internal procedures; and
- (iii) the status of the loan portfolio shall be reported to the Board by the Money Lending CAC on semi-annual basis.

Major terms of loans and concentration of loans on major clients

During the year ended 31 December 2024, the interest rate of the money lending business was charged at a range of 8.5% to 12% per annum (2023: a range of 8.5% to 12% per annum) subject to the creditability of the clients, and the loan receivables from clients were generally unsecured and repayable with a term of one year or less. The Group's largest money lending client and the five largest money lending clients accounted for 23.9% (2023: 19.7%) and 58.5% (2023: 52.8%) of the total loan balance to money lending clients as at 31 December 2024. As at 31 December 2024, the Group's largest money lending client was a corporate client (2023: a corporate client) and the Group's largest 5 money lending clients included 3 corporate clients and 2 individual clients (2023: 5 corporate clients).

Recoverability and impairment assessment

Same as the margin financing business, the Group measures the impairment loss on the basis of lifetime expected credit losses assessment for the loan receivables from the money lending clients. The Group reviews the loan receivables at the end of each reporting period to ensure that adequate provision for impairment losses is made for irrecoverable amounts, if any. As part of the Group's credit risk management, the Group estimates impairment loss on loan receivables individually by reference to any historical default or delay in payments, historical settlements record and current past due exposure of each client.

During the year ended 31 December 2024, reversal of provision for impairment loss on loan receivables of HK\$17.3 million (2023: provision for impairment loss of HK\$2.9 million) was recognised for the whole loan portfolio of the Group which represented the expected credit losses of the receivables from money lending clients. As at 31 December 2024, none of the loan receivables had been overdue and no specific provision on loan receivables had been made (2023: the loan receivables of HK\$2.1 million had been overdue and specific provision on the loan receivables of HK\$2.1 million had been provided).

EP Segment

EP Segment remained to be the Group's major revenue contributor which was benefited from the large scale of Realord EP Japan leased land in Osaka, Japan with approximately 19,609 square meters (4 pieces). EP Segment will concentrate on searching for new sources of metal scraps and exploring new customer especially in Japan.

MVP Segment

Under the promoting of international environmental protection across the globe, the electric vehicle market size has increased significantly in recent years. Governments in various countries also provide subsidies and supports to customers for changing from petrol to electric vehicle. Looking forward, the Group expects the market trend of shifting from petrol to electric vehicles will continue and the demand for petrol vehicles is expected to decrease. The Group will be extremely cost cautious on the operations of MVP Segment and closely monitor the business development of this segment.

LAC Segment

The principal business of LAC Segment was provision of citizenship application and consultancy services on CBI Programme and development of the Grenada Project. The Grenada Project involved the development of a mixed property project consisting educational facilities, apartments for student, hotel and resort facilities, commercial development and shopping facilities and in a longer plan university establishment(s) and related amenities.

The Government of Grenada granted LAC Segment the "Approval Project Status" such that LAC Segment can develop the Grenada Project on foreign investors' funding in accordance with the local laws under Section 11 of the Grenada Citizenship by Investment Act 15 of 2013 and a CBI Programme in Grenada. Through the CBI Programme, LAC Segment is authorised to raise capital from investors of the Project for funding the construction and development costs. Qualified investors of the real properties will be granted permanent Grenadian citizenship and a passport offering visa-free travel including the United Kingdom, EU Schengen countries and the Mainland China. The Project marks a significant flag of our Group into the Caribbean region.

OUTLOOK AND CORPORATE STRATEGY

Property Segment

The Group will focus on the five properties projects on hand, namely, the Qiankeng Property, the Laiying Garden, the Realord Villas, the Realord Technology Park and the Zhangkengjing Property to ensure that the Group stays in a good position in this segment.

Financial Services Segment

As the US Federal Reserve cut interest rates since the third quarter of 2024, the Group expects that Hong Kong's financial market and economic development will become more active. Financial Services Segment will continuously develop various investment products to meet the market's demand and provide diversified and premium services to customers in the international capital market. The Group expects that the Financial Services Segment will achieve stable business growth in 2025.

EP Segment

Looking forward, amidst the market uncertainties, the Group will continue to exercise extreme cautions in the operations of EP Segment with a view to controlling operating costs, minimising the credit risk exposures and expanding the customers base of the segments by strengthening their competitive edges among their competitors. The Group will continue to monitor the business plans, the associated risks and prospects of the operations, in order to maximise the return to the shareholders.

MVP Segment

Under the promoting of international environmental protection across the globe, the electric vehicle market size has increased significantly in recent years. Governments in various countries also provide subsidies and supports to customers for changing from petrol to electric vehicle. Looking forward, the Group expects the market trend of shifting from petrol to electric vehicles will continue and the demand for petrol vehicles is expected to decrease. The Group will be extremely cost cautious on the operations of MVP Segment and closely monitor the business development of this segment.

LAC Segment

The Grenada Project presents a valuable opportunity for the Group to diversity its business and operations in the Caribbean and Latin American region and enables it to expand its scale of overseas operation. By inviting foreign investment under the CBI Programme of Grenada, the Group has embarked on the Grenada Project and has established a management and marketing team with offices in Beijing, Shanghai, Shenzhen and Hong Kong and engaged consultants in the United States of America to implement the marketing strategies formulated for promoting the citizenship by investment programmes.

The Group is keen to leverage its experience in the Grenada Project to explore further investment opportunities around the Caribbean economic zone and Latin American region. It is the corporate strategy of the Group to invest and/or to form joint ventures with local governments in the Caribbean economic zone to set up and develop new businesses taking advantage of raising capital from foreign investors through the CBI Programme of different countries. The Caribbean economic zone has long been popular with the Western countries such as Europe, the United States of America and Canada, and is an ideal place for vacations. In particular, Antigua and Barbuda, and Saint Kitts and Nevis are closer to the United States of America, and both countries have direct flights to Europe, the United States of America and Canada. It is the Group's strategy to seek for professional investors to jointly invest in the projects in the Caribbean economic zone and Latin American region. Further, the Group is identifying capable and competent business partners with significant track record to participate in the projects. Subject to the planning and the feasibility studies of the projects as well as the requisite approval by the respective local government, it is expected that the Group would kick off the projects in near future.

CONTINGENT LIABILITIES

The Group has no significant contingent liabilities as at 31 December 2024.

LITIGATION

Saved as disclosed in note 20 to the consolidated financial statements, the Group has no other significant litigation as at 31 December 2024.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Saved as disclosed in note 18, no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries and associated companies during the year ended 31 December 2024.

EVENTS AFTER REPORTING PERIOD

No significant event has taken place subsequent to 31 December 2024 and up to the date of this announcement.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the years ended 31 December 2024 and 2023.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors or any of their respective associates has interest in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or has any other conflict of interest with the Group.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance practices. In the opinion of the Directors, the Company has complied all code provisions as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the year ended 31 December 2024.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total workforce of 187, of whom 56, 86, 29 and 16 were based in Hong Kong, the Mainland China, Japan and Grenada. Remuneration packages are generally structured by reference to market terms and individual qualifications, experience and merits. Salaries are normally reviewed on an annual basis and bonuses, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

ANNUAL GENERAL MEETING

The 2025 annual general meeting (“2025 AGM”) will be held on Friday, 6 June 2025, and the notice of the 2025 AGM will be published and despatched in the manner as required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 2 June 2025 (Hong Kong time).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s issued shares during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors’ securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as contained in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 December 2024.

AUDIT COMMITTEE AND REVIEW OF FINAL RESULTS

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

The Company has established the Audit Committee with written terms of reference in accordance with the Listing Rules. The Audit Committee comprises three members, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Mr. Ho Chun Chung Patrick, who are all independent non-executive Directors. The Audit Committee has reviewed with the management about the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control system and financial reporting matters of the Group. The Audit Committee has also reviewed the consolidated financial statements of the Group for the year ended 31 December 2024.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is published on the Company's website (<http://www.realord.com.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>).

The annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the abovementioned websites in due course.

APPRECIATION

On behalf of the Board, I would like to express its sincere gratitude to all our staff for their dedication and contribution, as well as to all our customers, suppliers, business associates and shareholders for their continuous support to the Group over the period.

By order of the Board
Realord Group Holdings Limited
Lin Xiaohui
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors of the Company are Dr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Fang Jixin and Mr. Ho Chun Chung Patrick.