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CCF FORTIS HOLDINGS LIMITED

(中 建 富 通 集 團 有 限 公 司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00138)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

CHAIRMAN'S STATEMENT

On behalf of the Board, I report the annual results of the Group for the year ended 31 December 2024.

ANNUAL RESULTS

Hindered by slowing global economic growth, geopolitical tensions and persistently high interest rate, Hong Kong's economy is still struggling to regain momentum, hence recovery across different industries has been uneven. Amidst challenging business environment and fragile market sentiment, the Group recorded net loss attributable to owners of the Company of approximately HK\$396 million, representing a decrease of approximately 31.4%, as compared to net loss attributable to owners of the Company of approximately HK\$577 million in 2023. The loss for the current year was mainly attributable to the non-cash unrealised loss arising from change in fair value of our property portfolio and valuable collections held for investments, impairment loss of such assets as promissory note receivable and assets of disposal groups held for sales and elevated borrowing expenses.

FINAL DIVIDEND

In light of the current adverse situation, the Group intends to conserve cash resources to combat the difficulties and challenges going forward. Therefore, the Board did not recommend the payment of a final dividend for 2024 (2023 final dividend: Nil). The Company did not pay any interim dividend for 2024 (2023 interim dividend: Nil).

BUSINESS REVIEW

In 2024, the Group was principally engaged in (i) property business; (ii) securities business; (iii) Blackbird Group's multi-faceted automotive business and investments in valuable collections; and (iv) cultural entertainment business.

PROPERTY BUSINESS

Hong Kong Property Business

In 2024, Hong Kong's property market continued to consolidate amidst weak economy and poor investment sentiment. Coupled with recent rate cuts, the removal of cooling measures in property market boosted market activity to a certain degree.

It is anticipated that the property market still faces economic uncertainties in 2025. The uncertainties over the new US administration's economic and interest rate policies is going to impact global economy and recovery of property market significantly.

SECURITIES BUSINESS

During the year ended 31 December 2024, to conserve cash and reduce risk, the Company did not trade in any listed shares or securities in the stock market. Indeed, our securities business received steady interest income on promissory note receivables during such year.

BLACKBIRD GROUP

The Blackbird Group, under the leadership of its chairman and chief executive officer ("CEO"), Mr. Mak Chun Kiu ("**Mr. TK Mak**"), is principally engaged in (i) the official importership and dealership of Ferrari in Hong Kong and Macau, including the repair and servicing business; (ii) the official importership and dealership of Maserati in Hong Kong and Macau, also including the repair and servicing business; (iii) valuable collections trading and investment business; and (iv) car logistics business. Despite the environment which continues to be challenging, the management is satisfied with the continuing development of the Blackbird Group's multi-faceted automotive operations.

Ferrari Business

The full 2024 year exhibited increased growth of commercial performance for Blackbird Concessionaires, the Group's official Ferrari importership for Hong Kong and Macau. Ferrari vehicle deliveries from the Maranello factory to Hong Kong and Macau rose by 70% in full year-end data compared to the previous 2023 calendar year, comprising mostly of the Ferrari Purosangue, 296 GTS and the limited edition SP3 Daytona, closing off a year of impressive commercial performance despite industry-wide headwinds. Vehicle personalisation requests and optional extras also rose substantially by 33%, with appointments for the highly personalised Tailor Made programme, where customers can specify truly unique one-of-a-kind creations increasing by three-fold on the previous 2023 year's results. A complete rehaul of the business' Ferrari Approved Pre-Owned programme and processes generated a 100% penetration rate for first time in history for the programme, increasing gross profit performance whilst simultaneously ensuring that only the highest standard of vehicles are presented at the company's showroom premises at the historic Repulse Bay premises.

Ferrari's latest ground-breaking V12 GT car, the "12Cilindri" was launched in Hong Kong in July 2024 after its initial global debut in Miami followed by a large public-scale activity for the first time in Hong Kong's Central district at the prestigious Landmark Atrium, welcoming 320,000 visitors over a 4-day period in August 2024. The stunning vehicle is the successor of the 812 Superfast launched in 2017, boasting elegant lines juxtaposed against the highest horsepower output engine ever made under Ferrari's legendary V12 banner. Local market order pace for the car began at a frantic pace, with the Spider convertible version selling out in the weeks leading up to the local market debut and the overall model performance exceeding the initial 2024 sales target forecast by 80%.

"Il Mondo Della Ferrari", Blackbird's new and exclusive Ferrari Experiences initiative was expanded in 2024 with a fully dedicated calendar and personnel, setting a new distinction between Ferrari and its local competitors by offering an entire calendar of global and local events, activities and a dedicated concierge for all Ferrari owners. This resulted in an increase of 60% in the participation of 2024's calendar from 2023, including the return of three of Hong Kong's top Ferraristi to the Ferrari Global Cavalcade, the most prestigious of Ferrari's annual owner gatherings limited sometimes to under 60 participants, each personally vetted before being selected by the Maranello factory for entry.

In Q4 2024, the highly anticipated Ferrari F80 was finally unveiled, the latest in the once-in-a-decade lineage of Ferrari's top range "Supercars" following the arrival of LaFerrari in 2013. After a thorough eligibility process, a substantial number of almost 20 of Hong Kong's Ferraristi were issued invitations to participate in the vehicle's unveiling at a hyper exclusive gathering in the Maranello factory's new E-Building, once again affirming the ongoing allure, demand and evolution of not just the brand, but an entirely new generation of collectors.

Blackbird's AfterSales and official Ferrari Technical Service and Classiche Centre in Kwai Chung continued to perform throughout 2024 with strong results, achieving key commercial gateways for the first time such as the Retention Rate and Genuine Accessories whilst maintaining a record number of labour hours and consistently providing top-tier, world-class service, repair and restoration services for Hong Kong's Ferrari clientele.

With a strong order book, growing portfolio and increased allocation and production planned for the coming year, the Blackbird Concessionaires business remains well poised for 2025, with a schedule of 3-4 new Ferrari vehicle launches, including the limited edition special series version of the highly acclaimed 296.

Maserati Business

In 2024, the Grecale was the best-selling model for Blackbird Tridente, and inventory management practices contributed to a favourable stock health as the year came to a close. Blackbird Tridente is preparing to introduce the GranTurismo to the Hong Kong and Macau markets next year, which embodies our commitment to honouring Maserati's esteemed racing heritage, and is anticipated to further strengthen the brand's position in the luxury automotive sector.

Valuable Collections Trading and Investment Business

In the year of 2024, the classic and investment car business continued to be affected by a slow global market. However, the management remains cautiously optimistic regarding the long-term improvement of the classic car trading environment. The Company will continue to monitor market trends to benefit from both sales and investment opportunities.

The Watch Manual division is well-established through its print publication and online platforms. It has collaborated with a number of key brands on editorial partnerships and consultancies, and also contributed directly to luxury brand presentations and training sessions, including hosting VIP gatherings. Its print publication has important visibility internationally, within the library of the Horological Society of New York, and will also be on display at the 2025 Watches & Wonders Geneva fair. Mr. TK Mak, the chairman and the CEO of the Blackbird Group, continues on the watch advisory board for the Phillips auction house.

Car Logistics Business

Due to the economy's downturn there was a slight drop in operating margin for 2024. However, the business continues to be profitable. To counter the slowing economy, we have expanded the range of services being provided to our clients including pre-delivery inspections and logistics. There continues to be new opportunities in cross-border services between Hong Kong and China, and between Hong Kong and Macau. For 2025, we will expand our team for cross-border services and develop upcoming projects including unloading RoRo shipments. We will continue to expand our current business and seek new revenue streams.

CULTURAL ENTERTAINMENT BUSINESS

To simplify the Group's existing organisational structure and streamline its business operations, on 27 December 2024, agreements were entered into to dispose of its associates, which engaged in stage audio and lighting and stage engineering operations for an aggregate consideration of HK\$8,100,000. The disposal was completed on 28 February 2025. Upon completion, the Group no longer operates the stage audio and lighting and stage engineering business.

OUTLOOK

The year of 2025 is uncertain and challenging. Geopolitical instability, the escalating US-China trade war, tariff threat, an uncertain interest rate outlook and stubborn inflation etc. will continue to pose great challenges to the local and global economic recovery.

Despite the current challenging environment, Blackbird's Ferrari business, as a sole official Ferrari importer in Hong Kong and Macau, continues to perform well and win a round of applause. Moreover, steady growth of Maserati business contributes an additional stream of revenue to the Group and open up a new avenue for business growth. We are committed to continuing to build up and grow the Blackbird Automotive Group to become one of the global leaders in the automotive sector in the near future.

Looking forward, we will stay alert on the rapid changing environment, remain prudent in financial management and continue our on-going cost savings initiatives. We will retain our strength and lay the groundwork for the recovery to come. With our resilient and experienced management, we consider that we can withstand the impact caused by these unprecedented challenges. We will try to turn risks into opportunities and continue to pursue our core strategy of achieving long-term sustainable growth for the Company and enhancing long-term value to the Shareholders.

APPRECIATION

On behalf of the Board, I would like to express sincere gratitude and appreciation to the Directors, management and all employees for their dedication, loyalty and hard work to meet the challenges during the year. Furthermore, I am most grateful to our customers, the Shareholders, investors, bankers, landlords and suppliers for their continued encouragement and strong support to the Group throughout these unprecedented times.

Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 March 2025

FINANCIAL REVIEW

OVERVIEW OF 2024 ANNUAL FINANCIAL RESULTS

HK\$ million	2024	2023	% increase/ (decrease)
Revenue	<u>578</u>	<u>765</u>	(24.4%)
Gross Profit	<u>132</u>	<u>172</u>	(23.3%)
Loss for the year	<u>(396)</u>	<u>(575)</u>	(31.1%)
Attributable to:			
Owners of the Company	(396)	(577)	(31.4%)
Non-controlling interests	<u>–</u>	<u>2</u>	(100.0%)
	<u>(396)</u>	<u>(575)</u>	(31.1%)
Basic and diluted loss per share attributable to ordinary equity holders of the Company	<u>(HK\$0.25)</u>	<u>(HK\$0.43)</u>	(41.9%)
Dividend per share	<u>Nil</u>	<u>Nil</u>	N/A

The Group's revenue for 2024 of approximately HK\$578 million was approximately HK\$187 million or approximately 24.4% lower than 2023, which had resulted from a decline of classic car sales in a slow classic car market and disinvestment in our stage audio and lighting and stage engineering operations.

In 2024, the Group recorded a net loss attributable to owners of the Company of approximately HK\$396 million as compared with a net loss of approximately HK\$577 million in 2023. This notifiable improvement in financial performance arose from decrease in impairment of trade and other receivables by approximately 99% to approximately HK\$3 million in the current year.

The current year's loss was mainly derived from non-cash unrealised fair value losses of approximately HK\$17 million arising from fair value change of the Group's property portfolio and non-cash impairment loss of promissory note receivable and assets of disposal groups classified as held for sale of approximately HK\$11 million and approximately HK\$104 million respectively.

Net profit/loss attributable to non-controlling interests represented share of net profit/loss by the minority shareholders of the stage audio, lighting and stage engineering operations.

ANALYSIS BY BUSINESS SEGMENT

HK\$ million	Revenue				% increase/ (decrease)
	2024		2023		
	Amount	Relative %	Amount	Relative %	
Property investment and holding	6	1.0%	8	1.0%	(25.0%)
Securities business	—*	—	—*	—	—
Ferrari business	420	72.7%	344	45.0%	22.1%
Maserati business	61	10.6%	126	16.5%	(51.6%)
Valuable collections and logistics business	51	8.8%	149	19.5%	(65.8%)
Cultural entertainment business	—	—	72	9.4%	(100.0%)
Other operations	40	6.9%	66	8.6%	(39.4%)
Total	<u>578</u>	<u>100.0%</u>	<u>765</u>	<u>100.0%</u>	(24.4%)
* less than HK\$1 million					

HK\$ million	Operating (loss)/profit		% increase/ (decrease)
	2024	2023	
Property investment and holding	(121)	(80)	51.3%
Securities business	(4)	(251)	(98.4%)
Ferrari business	10	12	(16.7%)
Maserati business	(15)	(9)	66.7%
Valuable collections and logistics business	(52)	(37)	40.5%
Cultural entertainment business	(1)	7	N/A
Other operations	(29)	(48)	(39.6%)
Total	<u>(212)</u>	<u>(406)</u>	(47.8%)

Property investment and holding

Due to the disposal of certain properties through sale of subsidiaries engaged in property investment in 2024, rental income was reduced by approximately 25.0% to approximately HK\$6 million. This segment recorded operating loss of approximately HK\$121 million as compared with operating loss of approximately HK\$80 million in the previous year. The operating loss in 2024 and 2023 was primarily attributable to unrealised losses arising from fair value changes of our investment properties and properties being classified as assets of disposal groups held for sale, in the weak property market, which amounted to approximately HK\$121 million and approximately HK\$88 million respectively.

Securities business

In 2024, the securities business contributed interest income on promissory note receivable of approximately HK\$7 million. This segment recorded an operating loss of approximately HK\$4 million as compared with operating loss of approximately HK\$251 million in the previous year. The operating loss in 2024 and 2023 were attributed to non-cash credit losses against promissory note receivable and receivables in respect of the disposal of unlisted equity investment and listed equity investment individually.

Ferrari business

In 2024, supported by the strong performance of the Ferrari Service Centre in Kwai Chung, the Ferrari business achieved revenue of approximately HK\$420 million, compared to approximately HK\$344 million in the previous year. The Ferrari business's operating profit was approximately HK\$10 million, which was approximately HK\$2 million lower than in 2023.

Maserati business

In 2023, with the first deliveries of Grecale, revenue reached our record high of approximately HK\$126 million. In 2024, Grecale remained as our strongest selling force, and our revenue was maintained at approximately HK\$61 million. In development stage, the Maserati business recorded an operating loss of approximately HK\$15 million due to higher operating cost.

Valuable collections and logistics business

In this slow global market, revenue dropped by approximately 65.8%, down to approximately HK\$51 million, and the business incurred an operating loss of approximately HK\$52 million compared to an operating loss of approximately HK\$37 million in previous year. The operating loss in 2024 was solely derived from slump in sales and losses of approximately HK\$18 million from disposal of our diversified and valuable collections held for investment.

Cultural entertainment business

Accompanied by successful capture of the rebound in the cultural entertainment industry in post-pandemic era, this business segment recorded a total revenue of approximately HK\$72 million and achieved an operating profit of approximately HK\$7 million for the first half of 2023. In the second half of 2023, to simplify the Group's business operations, this business division disposed of its significant portion of investments in its stage audio and lighting and stage engineering operations. Upon completion, this business ceased to be subsidiaries of the Group but remains as associates of the Group.

On 27 December 2024, agreements were entered into to dispose of the Group's remaining interest in associates for an aggregate consideration of HK\$8,100,000. The disposal was completed on 28 February 2025. Upon completion, the Group no longer operates the stage audio and lighting and stage engineering business.

Other operations

Other operations comprise the classic car services center and other new ventures which are in the development and start-up stage. This segment's revenue reduced by approximately 39.4% to approximately HK\$40 million in 2024. This segment recorded an operating loss of approximately HK\$29 million compared to an operating loss of approximately HK\$48 million in previous year.

ANALYSIS BY GEOGRAPHICAL SEGMENT

HK\$ million	Revenue				% increase/ (decrease)
	2024 Amount	Relative %	2023 Amount	Relative %	
Hong Kong, Macau and Mainland	576	99.7%	659	86.1%	(12.6%)
Rest of the world	2	0.3%	106	13.9%	(98.1%)
Total	578	100.0%	765	100.0%	(24.4%)

Approximately 99.7% of our total revenue was generated in Hong Kong, Macau and the Mainland, of which most of our revenue was generated in Hong Kong. The revenue from our major market regions was approximately HK\$576 million, a decrease of approximately HK\$83 million or approximately 12.6% compared to 2023. The revenue from rest of the world represented mainly sale of valuable collections to the overseas markets.

CAPITAL STRUCTURE AND GEARING RATIO

HK\$ million	2024		2023	
	Amount	Relative %	Amount	Relative %
Bank borrowings	1,172	51.5%	1,235	52.6%
Other borrowings	261	11.5%	126	5.4%
Lease liabilities	43	1.9%	76	3.2%
Convertible bonds	96	4.2%	122	5.2%
Bank borrowings directly associate with assets classified as held for sale	33	1.4%	58	2.5%
Total borrowings	1,605	70.5%	1,617	68.9%
Equity attributable to owners of the Company	672	29.5%	731	31.1%
Total capital employed	2,277	100.0%	2,348	100.0%

Equity attributable to owners of the Company as at 31 December 2024 was approximately HK\$672 million, representing a decrease of approximately HK\$59 million compared with approximately HK\$731 million at the beginning of the year 2024. This change was primarily attributable to the net loss attributable to owners of the Company for 2024, offset in part by the other comprehensive income of revaluation of leasehold land and buildings, which amounted to approximately HK\$339 million.

The Group's gearing ratio slightly increased from approximately 68.9% as at 31 December 2023 to approximately 70.5% as at 31 December 2024, driven mainly by the decrease in equity.

Total outstanding borrowings were approximately HK\$1,605 million (2023: HK\$1,617 million). Approximately 99.1% of these borrowings were of short-term nature, primarily representing revolving loans and mortgage loans on properties held by the Group.

As at 31 December 2024, the maturity profile of the bank and other borrowings and convertible bonds of the Group falling due within one year, in the second to the fifth year and beyond five years amounted to HK\$1,591 million*, HK\$14 million and nil respectively (2023: HK\$741 million, HK\$653 million and HK\$223 million respectively). There was no material effect of seasonality on the Group's borrowing requirements.

* See elaboration in the section headed "LIQUIDITY AND FINANCIAL RESOURCES" of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

HK\$ million	2024	2023
Current assets	950	1,173
Current liabilities	(2,100)	(1,234)
Net current liabilities	(1,150)	(61)

The Group's net current liabilities as at 31 December 2024 was approximately HK\$1,150 million, an increase of approximately HK\$1,089 million. The increase was primarily due to the reclassification of certain bank borrowings from non-current liabilities to current liabilities. During the year under review, the Group obtained a waiver for non-compliance with a financial covenant related to HK\$1,129 million in bank borrowings, valid until 30 June 2025. Of these borrowings, HK\$709 million, repayable over one year, is classified as current liabilities as of 31 December 2024. Given the Group's long-standing and well-established relationship with the bank, along with a strong track record of rectifying non-compliance and revising debt covenants, the waiver extension is anticipated. Consequently, the HK\$709 million in bank borrowings is expected to be reclassified as non-current liabilities after 30 June 2025.

Generally, the Group derives its working capital mainly from cash on hand, net cash generated from operating activities, and borrowings. In view of the net current liabilities position, the Board has given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Board expects that the Group will rely on net cash from operating activities, additional borrowings and capital exercises (if required) and sale of non-core assets to meet demand of working capital and capital expenditure, if any.

CONVERTIBLE BONDS

Set out below are the particulars of the outstanding convertible bonds of the Company as at 31 December 2024:

2025 Convertible Bonds

On 20 January 2023, the Company issued the 2025 Convertible Bonds with the aggregate principal amount of HK\$220,000,000 due on 31 December 2025. The 2025 Convertible Bonds are unsecured, carry interest at 4.5% per annum on the principal amount and are redeemable at the option of the Company before the maturity date on 31 December 2025. Subject to the terms and conditions of the 2025 Convertible Bonds, holder(s) of the 2025 Convertible Bonds has a right to convert the 2025 Convertible Bonds into the Shares at the current conversion price of HK\$0.16 per conversion Share (subject to adjustments pursuant to the terms and conditions of the 2025 Convertible Bonds). On 17 May 2023, Treasure Goal transferred part of the 2025 Convertible Bonds in an aggregate principal amount of HK\$117,000,000 to Capital Winner, New Capital and Capital Force (the "Transferee(s)") for the respective principal amounts of HK\$46,500,000, HK\$45,000,000 and HK\$25,500,000 and on the same day, the Transferees exercised their conversion rights to convert an aggregate principal amount of HK\$117,000,000 of the 2025 Convertible Bonds, and a total of 731,250,000 Shares were issued and allotted by the Company. For details, please refer to the Company's circular dated 19 December 2022 and announcements dated 11 January 2023, 20 January 2023 and 17 May 2023 respectively.

On 5 June 2024, Treasure Goal transferred part of the 2025 Convertible Bonds in the principal amount of HK\$20,000,000 to Cheer Fame. For details, please refer to the Company's announcement dated 5 June 2024.

On 18 June 2024, upon completion of the Disposal (*as defined hereinbelow*), the consideration for the Disposal of HK\$9,500,000 had been settled by offsetting against part of the principal amount of the 2025 Convertible Bonds held by Cheer Fame on a dollar-to-dollar basis, and the remaining principal amount of the 2025 Convertible Bonds held by Cheer Fame was reduced from HK\$20,000,000 to HK\$10,500,000. For details, please refer to the Company's announcements dated 13 June 2024 and 18 June 2024 respectively.

Save as disclosed above, during the year, no exercise of the conversion rights under the 2025 Convertible Bonds was made and the outstanding principal amount of the 2025 Convertible Bonds was HK\$93,500,000 as at 31 December 2024 and the date of this announcement.

2024 Convertible Bonds

On 18 August 2023, the Company issued the 2024 Convertible Bonds with an aggregate principal amount of HK\$30,011,500 due on 18 August 2024 to not less than six (6) placees under general mandate. The 2024 Convertible Bonds are unsecured, carry interest at 4.5% per annum on the principal amount and are redeemable at the option of the Company before the maturity date on 18 August 2024 (the “**Initial Maturity Date**”). On 18 February 2024, the Company redeemed part of the 2024 Convertible Bonds in the principal amount of HK\$10,000,000. Upon the Initial Maturity Date, the Company redeemed an aggregate principal amount of HK\$13,256,500 pursuant to the terms and conditions of the 2024 Convertible Bonds. For details, please refer to the Company's announcements dated 28 July 2023, 18 August 2023 and 11 June 2024 respectively, and monthly returns dated 5 March 2024 and 2 September 2024 respectively.

On 19 August 2024, the Company entered into four (4) deeds of amendments with four (4) bondholders of the 2024 Convertible Bonds respectively in an aggregate outstanding principal amount of HK\$6,755,000, pursuant to which the (i) maturity date of the 2024 Convertible Bonds be extended for one (1) year from 18 August 2024 to 18 August 2025 (the “**Extension**”); (ii) conversion price be changed from HK\$0.193 to HK\$0.15 per conversion Share; and (iii) interest rate be increased from 4.5% to 9.0% per annum for the Extension (the “**Amendments**”). Completion of the Amendments to the 2024 Convertible Bonds took place on 27 August 2024. For details, please refer to the Company's announcements dated 19 August 2024 and 27 August 2024 respectively.

As at 31 December 2024, the net proceeds raised from the issue of the 2024 Convertible Bonds have been fully utilised as the Company's general working capital.

Save as disclosed above, during the year ended 31 December 2024, no exercise of the conversion rights under the 2024 Convertible Bonds was made and the outstanding principal amount of the 2024 Convertible Bonds was HK\$6,755,000 as at 31 December 2024 and the date of this announcement.

CAPITAL COMMITMENTS

As at 31 December 2024, capital commitments of the Group amounted to approximately HK\$5 million (as at 31 December 2023: HK\$1 million). The Group intends to finance the capital commitments by its internal resources.

TREASURY MANAGEMENT

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the year ended 31 December 2024, the Group's receipts were mainly denominated in HK\$ and US\$. Payments were mainly made in HK\$ and US\$. Cash was generally placed in short-term deposits denominated in HK\$. In the year ended 31 December 2024, the Group's borrowings were mainly denominated in HK\$, and interest on the borrowings was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group's current exposure to foreign exchange risk is not significant. The Group has not used any financial instruments to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

DISPOSALS OF MATERIAL SUBSIDIARIES AND ASSOCIATES

- (a) The Group disposed of a significant portion of investments in its stage audio and lighting and stage engineering operations in its cultural entertainment business during the year ended 31 December 2023. As disclosed in the Company's announcement dated 20 July 2023, the final instalment of HK\$10,000,000 (the "**Final Instalment**") for the disposal should be paid by the purchaser on or before 31 December 2023, and yet remained unsettled on the due date. The Final Instalment was subsequently settled in early 2024. For details, please refer to the Company's announcements dated 8 January 2024 and 5 March 2024 respectively.

On 27 December 2024, the Group entered into two (2) sale and purchase agreements to dispose of its associates, which are engaged in stage audio and lighting and stage engineering operations, for an aggregate consideration of HK\$8,100,000. For details, please refer to the section headed "EVENT AFTER THE END OF THE REPORTING PERIOD".

- (b) On 13 June 2024, Suremark (as vendor), a direct wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Cheer Fame (as purchaser), a connected person under Chapter 14A of the Listing Rules, pursuant to which Suremark agreed to sell and Cheer Fame agreed to purchase the entire issued share capital of Silly Thing Group Limited (“**Silly Thing**”), an investment holding company, and together with its subsidiaries (the “**Silly Thing Group**”), which were engaged in multimedia businesses including magazine publication, event management and production and provision of digital media services, for a consideration of HK\$9,500,000 (the “**Disposal**”). The Disposal constituted a discloseable and connected transaction under Chapters 14 and 14A of the Listing Rules.

Completion of the Disposal took place on 18 June 2024. Silly Thing ceased to be a subsidiary of the Group and the financial results of the Silly Thing Group ceased to be consolidated into the Group’s consolidated financial statements. For details, please refer to the Company’s announcements dated 13 June 2024 and 18 June 2024 respectively.

- (c) During the year ended 31 December 2024, the Group disposed of two (2) of its subsidiaries, namely, Victory Way Investments Limited and Goldbay Property (HK) Limited, being the registered owners of the whole of Ground Floor (excluding portions C), Wah Po Building, No. 1 New Praya, Kennedy Town, Hong Kong, and Shop B on Ground Floor, Gramercy, No. 38 Caine Road, Hong Kong respectively to independent third parties for an aggregate consideration of approximately HK\$101 million, which upon completion of the respective disposals, ceased to be consolidated into the Group’s consolidated financial statements.

Save as disclosed above, the Group did not acquire or dispose of any material subsidiaries and associates during the year ended 31 December 2024 under review.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment as at 31 December 2024.

PLEDGE OF ASSETS

As at 31 December 2024, certain of the Group’s assets with a net book value of approximately HK\$1,868 million (as at 31 December 2023: HK\$1,814 million) and time deposits of HK\$20 million (2023: HK\$20 million) were pledged to secure the Group’s bank and other borrowings.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had the following contingent liabilities:

During 2017 and in or about August 2018, various property purchasers initiated legal proceedings against a subsidiary of the Company (the “**Relevant Subsidiary**”) concerning alleged misrepresentations on the part of the Relevant Subsidiary in relation to certain properties sold by the Relevant Subsidiary. In September 2018, the Court ordered that all individual legal proceedings against the Relevant Subsidiary were consolidated into one legal proceedings. Based on the existing legal documents and advice of the legal advisor of the Company, the Directors are of the opinion that there is a reasonably good chance of success in the defence by the Relevant Subsidiary. In the opinion of the Directors, no provision is considered necessary for the claims arising from the legal proceedings at the end of the reporting period.

COMPLIANCE WITH THE LAWS AND REGULATIONS

Compliance is an integral part of the Company’s policies and corporate governance to comply with all the relevant laws and regulations in the places where we operate. The management always keep abreast of the latest development in the laws and regulations which are relevant and have a significant impact on the Group’s business operations. During the year ended 31 December 2024, there was no material breach of or non-compliance with the applicable laws and regulations by the Group except for disclosures below.

Save as disclosed in the (i) announcements of the Company dated 28 March 2024, 8 April 2024 and 10 April 2024 respectively in relation to delay to publish its annual results within three (3) months after the end of financial year ended 31 December 2023; and disclosure stated in the section headed “Compliance with the CG Code” below, and (ii) announcements of the Company dated 26 September 2024, 13 November 2024 and 6 December 2024 respectively regarding the public float requirement; and disclosure stated in the in the section headed “Sufficiency of Public Float” below, there was no other significant non-compliance of any laws, regulations or rules that have a significant impact on the Group and its business operations as at the date of this announcement.

ENVIRONMENTAL PERFORMANCE

The Group is devoted to the integration of corporate social responsibility into its day-to-day business operations to create long-term positive values and contribute to a better future for the community while minimisation of its operational environmental footprints is resulted. The Group has focused its efforts on environmental stewardship, energy efficiency, resource management and cultivation of environmental awareness amongst employees. The Group remains attentive to different energy-saving opportunities and adopts hardware upgrades to improve our energy efficiency with a comprehensive approach to waste and resource management, and its goal is to create a paperless office to minimise its paper usage.

KEY RISKS AND UNCERTAINTIES

The Group's businesses, financial condition, results of operations and prospects are subject to a number of directly or indirectly business risks and uncertainties. In general, volatility in the worldwide financial markets, fluctuations in commodity prices and increasing energy costs, strong inflationary pressures, high interest rates, political turbulence, international trade competition and supply chain disruptions have all contributed to the increased uncertainty of global economic prospects.

Climate change poses different risks to the Group's businesses. Apart from physical risks such as rising earth's temperature and sea level, increasing greenhouse gas and extreme weather condition, have already created and will continue to create, resulting in a number of negative effects to the environment and the Group's assets, businesses and supply chain management which may pose increased risks for the Group's key stakeholders such as employees, customers and suppliers.

Faced with such daunting macro-economic and geopolitical risks and uncertainties, the Group devotes considerable efforts to focus on developing its core businesses and to explore new market opportunities in order to create and realise long-term values to the Shareholders and its key stakeholders.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group as at 31 December 2024 was 187 (as at 31 December 2023: 296). The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. The Company has adopted the share option scheme of the Company on 23 June 2021 (the "**Share Option Scheme**") as an incentive to eligible participants. Share options may also be granted to eligible employees and persons of the Group under the Share Options Scheme. As at 31 December 2024, there were no outstanding share options issued by the Company (as at 31 December 2023: Nil).

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

On 26 September 2024, the Company repurchased a total of 4,686,000 ordinary Shares each at HK\$0.0755 per Share on the Stock Exchange for an aggregate consideration of approximately HK\$353,800 and the repurchased Shares were cancelled on 16 October 2024.

The repurchased Shares by the Directors during the year ended 31 December 2024 were made pursuant to the mandate granted by the Shareholders at the annual general meeting of the Company held on 19 June 2024, with a view to benefiting the Company and the Shareholders as a whole by enhancing the net asset value per Share. As at 31 December 2024 and up to the date of this announcement, the total number of issued Shares was 1,599,675,452 Shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares, if any) during the year ended 31 December 2024.

COMPLIANCE WITH THE CG CODE

The Company has always recognised the importance of the Shareholders' transparency and accountability. The Board considers that the Shareholders can maximise their benefits from good corporate governance. The Board is committed to maintaining and ensuring high standards of corporate governance practices and procedures by integrating social and environmental concerns into the Group's business operations such that the interests of the Shareholders and its stakeholders as well as the Company's long-term sustainable development can be safeguarded.

In the opinion of the Directors, the Company has complied with all the code provisions of the CG Code throughout the year ended 31 December 2024, thereby ensuring the Company is up to the requirements as being diligent, accountable and professional, except for the deviations with considered reasons disclosed herein.

Code Provision C.2.1

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

There is no separation of the roles of the Chairman and the CEO and hence the Company has not complied with code provision C.2.1 of the CG Code during the year ended 31 December 2024.

Mr. Mak acts as a dual leadership role of both the Chairman and the CEO by one (1) single person that has been adopted by the Company for a number of years to discharge executive functions thereby enabling more effective and efficient planning and better execution of long-term strategies. Mr. Mak is an executive of high caliber with a wide range of skills and diversified business expertise. Mr. Mak has substantial experience, strong leadership and a firmly established reputation in the diversified business that is essential to fulfilling the role of the Chairman. At the same time, Mr. Mak has appropriate management skills and business acumen that are the pre-requisites for assuming the role of the CEO in the day-to-day management of the Group. The Board comprises of two (2) executive Directors (including the Chairman) and three (3) INEDs with a balance of power and authority with specialised skills and extensive experience. The Board believes that there is no need to segregate the roles of the Chairman and the CEO as the balance of power and authority is already ensured by the current structure. Moreover, the Board believes that the combined roles of Mr. Mak enhance the communication between the Board and management and facilitate the effective execution of the Board's business strategies by the management because of Mr. Mak's extensive business experience. The Board will review the current structure when and as it becomes appropriate.

Rule 13.49 and Code Provision D.1.3

Pursuant to Rule 13.49(1) of the Listing Rules, the Company was required to publish the annual results for the financial year ended 31 December 2023 (the “**2023 Annual Results Announcement**”) on or before 31 March 2024.

As disclosed in the Company’s announcements dated 26 March 2024, 28 March 2024, 10 April 2024 and 11 April 2024 respectively, amongst others, the Company required additional time to collect and collate the necessary supporting documents related to the cash flow forecast to enable the Company’s auditors (the “**Auditors**”) to complete relevant review and audit. Under Rule 13.50 of the Listing Rules, trading for the Company’s shares was suspended from 9:00 a.m. on 2 April 2024.

The 2023 Annual Results Announcement was published on 11 April 2024. Following the publication of the 2023 Annual Results Announcement as agreed by the Auditors, trading of the Company’s shares resumed at 9:00 a.m. on 12 April 2024. The Board acknowledges that the delay in publication of the 2023 Annual Results Announcement constituted non-compliance with Rule 13.49(1) of the Listing Rules.

As disclosed in the 2023 Annual Results Announcement, the Auditors have issued a disclaimer of opinion in their independent auditor’s report. To avoid a lengthy explanation, the details and necessary information of “Disclaimer of opinion” and “Basis for disclaimer of opinion” from the independent auditor’s report prepared by Ernst & Young on the Group’s consolidated financial statements for the year ended 31 December 2023 may refer to the section headed “Extract from Independent Auditor’s Report prepared by the Auditors of the Company” in the 2023 Annual Results Announcement and the 2023 annual report of the Company.

SHARE OPTION SCHEME

Pursuant to the Share Option Scheme, the Company may grant options to eligible persons. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 87,311,145, being 10% of the Shares listed on the main board of the Stock Exchange on the date of annual general meeting of the Company held on 23 June 2021.

No share options of the Company were granted, exercised, cancelled, lapsed or outstanding for the year ended 31 December 2024 and as at the date of this announcement.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries by the Company, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2024. The Company has also adopted the Model Code to regulate the dealings in the Company’s securities by its employees and directors of the subsidiaries of the Group who are likely to possess inside information relating to the Company’s securities.

EVENT AFTER THE END OF THE REPORTING PERIOD

On 28 February 2025, the Group completed the disposal of its associates, which are engaged in stage audio and lighting and stage engineering operations, for an aggregate consideration of HK\$8,100,000. Upon completion, the Group no longer operates the stage audio and lighting and stage engineering business.

Save as disclosed above and in note 14 of this announcement, there is no material subsequent event undertaken by the Group after the end of the reporting period and up to the date of this announcement which may have a significant effect on the assets and liabilities or future operations of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the issued Shares held by the public is below the prescribed public float applicable to the Company under Rule 8.08(1)(a) of the Listing Rules of 25% during the year ended 31 December 2024.

As disclosed in the Company's announcements dated 26 September 2024, 13 November 2024 and 6 December 2024 respectively, after the repurchase of 4,686,000 Shares by the Company in the open market on 26 September 2024 and the repurchased Shares being cancelled on 16 October 2024, the total issued Shares decreased from 1,604,361,452 Shares to 1,599,675,452 Shares and the Company's public float decreased from approximately 25.03% to approximately 24.81%, falling below the minimum percentage of 25% as prescribed by Rule 8.08(1)(a) of the Listing Rules. In order to restore the minimum public float of the Company, on 11 and 12 November 2024, Capital Force disposed of an aggregate of 3,322,000 Shares, representing approximately 0.21% of the total issued Shares on market. Accordingly, the total number of Shares held by the public was 400,132,721, representing approximately 25.01% of the total issued Shares and thus the minimum public float of the Company of 25% had been restored.

Save as disclosed above, the Company has adopted its policy in compliance with the public float requirement in the event of any repurchase and maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules throughout the year under review and up to the date of this announcement.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") since 2000 with specific written terms of reference formulated in compliance with the requirements of Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of the CG Code. The principal responsibilities of the Audit Committee are to review and supervise the financial reporting process, and risk management and internal control systems of the Group. The Audit Committee consists of all three (3) members who are the INEDs, namely Mr. Lau Ho Kit, Ivan ("**Mr. Lau**") (*chairman*), Mr. Chen Li and Mr. Chow Siu Ngor ("**Mr. Chow**"). The Audit Committee is currently chaired by Mr. Lau, who is a qualified accountant and has extensive experience in accounting and financial matters.

The Audit Committee has met in person or by electronic means the Group's external auditor, Messrs. Crowe (HK) CPA Limited, and has reviewed and discussed the adopted accounting principles and practices and the auditing, internal control and financial reporting matters of the Group. The Audit Committee has also reviewed the audited consolidated financial statements, and risk management and internal control systems of the Group for the financial year ended 31 December 2024. The Audit Committee held nine (9) meetings during the year ended 31 December 2024.

Further information of the Audit Committee will be disclosed in the corporate governance report as contained in the 2024 annual report of the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “**Remuneration Committee**”) since 2005 with specific written terms of reference formulated in compliance with the requirements of the Listing Rules and code provision E.1.2 of the CG Code. The Remuneration Committee consists of five (5) members comprising three (3) INEDs, namely Mr. Chen Li, Mr. Chow (*chairman*) and Mr. Lau, and two (2) executive Directors, namely Mr. Mak and Ms. Cheng Yuk Ching, Flora (“**Ms. Cheng**”). The Remuneration Committee is currently chaired by Mr. Chow. The Remuneration Committee held one (1) meeting during the year ended 31 December 2024.

Further information of the Remuneration Committee will be disclosed in the corporate governance report as contained in the 2024 annual report of the Company.

NOMINATION COMMITTEE

The Company has established a nomination committee (the “**Nomination Committee**”) since 2012 with specific written terms of reference in line with code provision B.3 of the CG Code. The Nomination Committee consists of five (5) members comprising three (3) INEDs, namely Mr. Chen Li, Mr. Chow and Mr. Lau, and two (2) executive Directors, namely Mr. Mak (*chairman*) and Ms. Cheng. The Nomination Committee is currently chaired by Mr. Mak, who is the Chairman of the Board. The Nomination Committee held one (1) meeting during the year ended 31 December 2024.

Further information of the Nomination Committee will be disclosed in the corporate governance report as contained in the 2024 annual report of the Company.

THE INEDS

Each of three (3) INEDs, namely Mr. Chen Li, Mr. Chow and Mr. Lau, has filed a written confirmation to the Company confirming his independence pursuant to Rule 3.13 of the Listing Rules and has undertaken to inform the Stock Exchange and the Company as soon as practicable if there is any subsequent change in circumstances which may affect his independence. As at the date of this announcement, all INEDs were considered to be independent and all INEDs are suitable to serve as an INED.

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of a sufficient number of the INEDs and at least an INED with appropriate professional qualifications or accounting or related financial management expertise and the number of the INEDs representing at least one-third (1/3) of the Board throughout the year ended 31 December 2024.

CHANGE OF THE AUDITORS

On 29 November 2024, the Board announced that Messrs. Ernst & Young (“EY”) has resigned as the auditor of the Company (the “**Auditor**”) with effect from 29 November 2024 (the “**Resignation**”) as the Company and EY could not reach a consensus on the proposed audit fee for the annual audit of the Group for the financial year ended 31 December 2024 (the “**2024 Audit**”). EY has confirmed in writing that except for the disagreement in audit fee and EY did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2023 due to multiple uncertainties relating to going concern, further details are set out in EY’s auditor’s report included in the Company’s annual report for the year ended 31 December 2023, there are no disagreements or unresolved matters between the Company and EY, and there are no other circumstances in respect of the Resignation that need to be brought to the attention of the Shareholders. The Board and the Audit Committee have also confirmed that except for the above, there are no disagreements or unresolved matters between the Company and EY, and there are no other circumstances in respect of the Resignation that need to be brought to the attention of the Shareholders.

The Board, with the recommendation of the Audit Committee, has resolved to appoint Messrs. Crowe (HK) CPA Limited as the new Auditor with effect from 29 November 2024 for the 2024 Audit to fill the casual vacancy following the Resignation and to hold office until the conclusion of the next annual general meeting of the Company.

For details, please refer to the Company’s announcement dated 29 November 2024.

SCOPE OF WORK OF MESSRS. CROWE (HK) CPA LIMITED (“CROWE”)

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group’s external auditor, Crowe, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board on 31 March 2025. The work performed by Crowe in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe on this preliminary announcement.

EXTRACT FROM INDEPENDENT AUDITOR’S REPORT PREPARED BY THE AUDITOR OF THE COMPANY

The auditor has issued a disclaimer of opinion in their independent auditor’s report. The Company provides an extract of “Disclaimer of opinion” and “Basis for disclaimer of opinion” from the independent auditor’s report prepared by Crowe on the Group’s consolidated financial statements for the year ended 31 December 2024 as set out below:

Disclaimer of opinion — We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the *Basis for disclaimer of opinion* section of our report, it is not possible for us to form an opinion on these consolidated financial statements. Except for the matters described in the *Basis for disclaimer of opinion* section of our report, in all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for disclaimer of opinion — Multiple uncertainties relating to going concern — The Group recorded a net loss of approximately HK\$396 million and, as at 31 December 2024, the Group had net current liabilities of approximately HK\$1,150 million. On the same date, the Group had cash and bank balances of HK\$45 million and interest-bearing bank and other borrowings of HK\$1,509 million (including borrowings of HK\$33 million in the disposal groups), among which HK\$1,495 million are due for repayment within twelve (12) months from the end of the reporting period, and convertible bonds of approximately HK\$7 million and HK\$89 million respectively which will be due for repayment on 18 August 2025 and 31 December 2025 respectively. In order to meet the Group’s daily operation needs and its monthly repayment of the term loans, the Group has been disposing certain of its assets, such as assets of disposal group classified as held for sales and valuable collections held for investments, to generate cash flows to meet the working capital requirements. However, given the market conditions, uncertainties remain as to the Group’s ability to timely dispose of these assets in order to meet its working capital requirements. Furthermore, as detailed in note 2 of this announcement, the Group had breached certain financial covenants for its term loans of HK\$1,157 million during the year and waivers were obtained from the respective banks. Furthermore, any adverse conditions or developments could also consequently trigger the unsuccessful renewals of the Group’s revolving loans of HK\$344 million, which are subject to the lenders’ discretion every three to twelve months. These conditions, along with other matters set forth in note 2 of this announcement, indicate the existence of material multiple uncertainties which cast significant doubt on the Group’s ability to continue as a going concern.

MANAGEMENT ACTION PLANS TO BE IMPLEMENTED BY THE COMPANY

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated and taken to manage the working capital and improve the financial position of the Group:

- (a) the Group is actively discussing with potential buyers to dispose of the assets;
- (b) the Group is able to renew and roll over the revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates;
- (c) the Group is actively discussing with financial advisor for potential capital transactions;
- (d) the Group will continue to improve the sales and collection of outstanding trade receivables; and
- (e) the Group will continue to take active measures to control its administrative costs and manage its capital expenditure.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least twelve (12) months from the reporting date, prepared by the management. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within twelve (12) 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.

As stated above, (i) the Group's revolving loans, totaling HK\$344 million, are subject to renewal every three (3) to twelve (12) months at the discretion of the lenders. Historically, the Group has demonstrated a consistent track record of renewing these loans, which are primarily utilised for ongoing trading activities. The standardised renewal terms, coupled with the Group's continuous trading operations, provide a solid foundation for the banks to renew the loans. The continuity of our trading activities and the strong banking relationships constitute a favorable outlook for the anticipated renewal of the revolving loans; and (ii) the Group is required to comply with financial covenant for its bank borrowings. In instances of non-compliance, historical precedent indicates that banks have shown a preference for negotiation, leading to mutually agreeable resolutions, rather than exercising their rights. This preference for dialogue and resolution is evidenced by the Group's successful negotiations in obtaining waivers for the financial covenant in 2023 and 2024. Banks remain open to considering further revisions to the terms and extension of waivers upon receiving requests by us and willing to engaging in negotiations.

We encourage you to review our annual financial figures for the year ended 31 December 2024 accompanying auditor's disclaimer of opinion and a number of strategic measures to be implemented by the Group to optimise the Group's liquidity and financial position together.

PUBLICATION OF THE 2024 ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Company for the year ended 31 December 2024 has been published on the respective websites of the Company at www.cct-fortis.com/eng/investor/announcements.php and that of the Stock Exchange at www.hkexnews.hk. The annual report of the Company containing all information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Company and the Stock Exchange in April 2025.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company (the “AGM”) will be held on Wednesday, 18 June 2025. A circular containing the notice of the AGM and information regarding, *inter alia*, general mandates to issue and buy-back Shares, re-election of the retiring Directors, re-appointment of the Auditor and refreshment of the scheme mandate limit will be published and despatched to the Shareholders in April 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders’ eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 13 June 2025 to Wednesday, 18 June 2025 (both days inclusive). During such period, no Share transfers will be registered for the purpose of ascertaining the Shareholders’ entitlement for attending and voting at the AGM. In order to qualify to attend and vote at the AGM, all transfers of the Shares forms accompanied by the relevant Share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, 12 June 2025, for registration.

By order of the Board of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Mr. Mak Shiu Tong, Clement and Ms. Cheng Yuk Ching, Flora as executive Directors; and Mr. Chen Li, Mr. Chow Siu Ngor and Mr. Lau Ho Kit, Ivan as independent non-executive Directors.

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.

ANNUAL RESULTS

The Board presents the audited consolidated annual results of the Group for the year ended 31 December 2024, together with the comparative amounts for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

HK\$ million	<i>Notes</i>	2024	2023
REVENUE	4, 5	578	765
Cost of sales and services rendered		<u>(446)</u>	<u>(593)</u>
Gross profit		132	172
Other income and gains, net	5	23	40
Selling and distribution costs		(24)	(19)
Administrative expenses		(254)	(265)
Fair value losses on investment properties, net		(17)	(88)
Impairment of assets of disposal group classified as held for sales		(104)	–
Impairment of trade receivables, net		(2)	(109)
Impairment of other receivables, net		(1)	(155)
Impairment of promissory note receivable		(11)	(2)
Other expenses, net		(25)	(29)
Finance costs	6	(116)	(124)
Share of profits of associates		<u>3</u>	<u>4</u>
LOSS BEFORE TAX	7	(396)	(575)
Income tax	8	<u>–*</u>	<u>–</u>
LOSS FOR THE YEAR		<u>(396)</u>	<u>(575)</u>
Attributable to:			
Owners of the Company		(396)	(577)
Non-controlling interests		<u>–</u>	<u>2</u>
		<u>(396)</u>	<u>(575)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic and diluted		<u>(HK\$0.25)</u>	<u>(HK\$0.43)</u>

* less than HK\$1 million

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the year ended 31 December 2024*

HK\$ million	2024	2023
LOSS FOR THE YEAR	(396)	(575)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of subsidiaries of the Company	–	1
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Revaluation of the leasehold land and buildings	339	–
Other comprehensive income for the year	339	1
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(57)	(574)
Attributable to:		
Owners of the Company	(57)	(576)
Non-controlling interests	–	2
	(57)	(574)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

HK\$ million	<i>Notes</i>	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	11	973	716
Investment properties		610	627
Goodwill		17	17
Investments in associates		–	9
Valuable collections held for investments		235	298
Other receivables		1	1
		<hr/>	<hr/>
Total non-current assets		1,836	1,668
Current assets			
Inventories		80	68
Stock of valuable collections held for sale		–	—*
Trade receivables	12	27	43
Investment in a film		80	80
Prepayments and other receivables		153	160
Financial assets at fair value through profit or loss		5	5
Promissory note receivable		135	148
Pledged time deposits		20	20
Cash and cash equivalents		45	47
		<hr/>	<hr/>
		545	571
Assets of disposal groups classified as held for sale		405	602
		<hr/>	<hr/>
Total current assets		950	1,173
		<hr/>	<hr/>
Total assets		2,786	2,841
		<hr/> <hr/>	<hr/> <hr/>

* less than HK\$1 million

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

HK\$ million	<i>Note</i>	2024	2023
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Issued capital		160	160
Reserves		512	571
Total equity		672	731
Non-current liabilities			
Interest-bearing bank and other borrowings		14	783
Convertible bonds		–	93
Total non-current liabilities		14	876
Current liabilities			
Trade payables	<i>13</i>	42	40
Tax payable		–*	–*
Other payables and accruals		450	428
Interest-bearing bank and other borrowings		1,462	654
Convertible bonds		96	29
		2,050	1,151
Liabilities directly associated with the assets classified as held for sale		50	83
Total current liabilities		2,100	1,234
Total liabilities		2,114	2,110
Total equity and liabilities		2,786	2,841
Net current liabilities		(1,150)	(61)
Total assets less current liabilities		686	1,607

* *less than HK\$1 million*

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention, except for certain class of property, plant and equipment (i.e. leasehold land and building), investment properties, valuable collections held for investments, investment in a film and financial assets at fair value through profit or loss which have been measured at fair value. Assets of disposal groups held for sale are stated at lower of their carrying amounts and fair values less cost to sell. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest million except when otherwise indicated.

2. BASIS OF PRESENTATION

Going concern basis

For the year ended 31 December 2024, the Group recorded a net loss of approximately HK\$396 million and, as at 31 December 2024, the Group had net current liabilities of approximately HK\$1,150 million. On the same date, the Group had cash and bank balances of HK\$45 million and interest-bearing bank and other borrowings of HK\$1,509 million (including borrowings of HK\$33 million in the disposal groups), among which HK\$1,495 million are due for repayment within 12 months from the end of the reporting period, and convertible bonds of HK\$7 million and HK\$89 million which will be due for repayment on 18 August 2025 and 31 December 2025 respectively.

In order to meet the Group’s daily operation needs and its monthly repayment of the term loans, the Group has been disposing certain assets, such as assets of disposal groups classified as held for sale and valuable collections held for investments, to generate cash flows to meet the working capital requirements.

As at 31 December 2024, the Group had breached certain financial covenants for its bank borrowings of HK\$1,157 million, waivers were obtained from the respective banks.

In addition, the Group’s revolving loans of HK\$344 million are subject to renewal at the discretion of the lenders every three to twelve months.

2. BASIS OF PRESENTATION (CONTINUED)

Going concern basis (Continued)

In view of the above circumstances, the directors of the Company have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated and taken to manage the working capital and improve the financial position of the Group:

- (a) the Group is actively discussing with potential buyers to dispose of the assets;
- (b) the Group is able to renew and roll over the revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates;
- (c) the Group is actively discussing with financial advisor for potential capital transactions;
- (d) the Group will continue to improve the sales and collection of outstanding trade receivables; and
- (e) the Group will continue to take active measures to control its administrative costs and manage its capital expenditure.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the reporting date, prepared by the management. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within 12 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.

As stated above, (i) the Group's revolving loans, totaling HK\$344 million, are subject to renewal every three (3) to twelve (12) months at the discretion of the lenders. Historically, the Group has demonstrated a consistent track record of renewing these loans, which are primarily utilised for ongoing trading activities. The standardised renewal terms, coupled with the Group's continuous trading operations, provide a solid foundation for the banks to renew the loans. The continuity of the Group's trading activities and the strong banking relationships constitute a favorable outlook for the anticipated renewal of the revolving loans; and (ii) the Group is required to comply with financial covenant for its bank borrowings. In instances of non-compliance, historical precedent indicates that banks have shown a preference for negotiation, leading to mutually agreeable resolutions, rather than exercising their rights. This preference for dialogue and resolution is evidenced by the Group's successful negotiations in obtaining waivers for the financial covenant in 2023 and 2024. Banks remain open to considering further revisions to the terms and extension of waivers upon receiving requests by the Group and willing to engaging in negotiations.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon (a) the successful and timely disposals of the Group's assets to satisfy the repayments of term loans; (b) the successful renewal of banking facilities such as revolving, trading and working capital loans with more favourable financial covenants to be fulfilled by the Group upon or before the maturity dates; (c) the successful completion of capital transactions to improve the net asset position of the Group; and (d) the successful and timely implementation of the plans to enhance operating cash flows in order to improve the Group's working capital.

Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

- (a) Except for the early adoption of Amendments to HKAS 1 in the financial statements for the year ended 31 December 2023, the Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Lease back</i>

The nature and the impact of the revised HKFRS Accounting Standards that are applicable to the Group are described below:

Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to HKAS 7 Statement of Cash Flows stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, HKFRS 7 Financial Instruments: Disclosures was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments provide transition relief by not requiring disclosure of comparative information in the first year of application, and also not requiring disclosure of specified opening balances.

The amendments have no material impact on the Group's consolidated financial statements for the current year.

Amendments to HKRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The amendments have no impact on the consolidated financial statements for the current and prior years.

- (b) Revaluation of leasehold land and buildings

The Group re-assessed its accounting for property, plant and equipment with respect to measurement of a certain class of property, plant and equipment after initial recognition. The Group had previously measured all property, plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses.

During the year, the Group elected to change the method of accounting for leasehold land and buildings classified as property, plant and equipment, as the Group believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the leasehold land and buildings' fair value. The Group applied the revaluation model prospectively. Leasehold land and buildings are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has the following reportable operating segments:

- (a) the property investment and holding segment which represents investment and holding of properties;
- (b) the securities business segment representing the trading in securities and holding of securities and financial assets;
- (c) Ferrari business segment representing the import and distribution of Ferrari cars and provision of after-sale services as official importer of Ferrari in Hong Kong and Macau;
- (d) Maserati business segment representing the import and distribution of Maserati cars and provision of after-sale services as official importer of Maserati in Hong Kong and Macau;
- (e) valuable collections and logistics segment representing the acquisition of classic cars and collectible precision devices for long-term investment purpose, trading and sale of classic cars and car logistics business;
- (f) cultural entertainment business segment representing film operations, stage audio, lighting and engineering operations; and
- (g) other operations segment which is engaged in supportive business and start-up business including multimedia operations, the running of a classic car service centre, artist management and magazine publication (were disposed during the year ended 31 December 2024).

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that non-lease-related finance costs, gain on disposal of subsidiaries, gain/loss on early redemption of bonds/convertible bonds, share of profits of associates, loss on disposal of an associate, impairment of investments in associates and head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2024

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Reconciliations	Total
Segment revenue:									
Sales to external customers (note 5)	6	—*	420	61	51	—	40	—	578
Other revenue	—*	9	6	1	1	—	1	—	18
	<u>6</u>	<u>9</u>	<u>426</u>	<u>62</u>	<u>52</u>	<u>—</u>	<u>41</u>	<u>—</u>	<u>596</u>
Operating profit/(loss)	(121)	(4)	10	(15)	(52)	(1)	(29)	—	(212)
Finance costs (other than interest on lease liabilities)									(114)
Reconciled items:									
Corporate and other unallocated expenses									(74)
Gain on disposal of subsidiaries, net									4
Gain on redemption of convertible bonds									1
Impairment of investments in associates									(4)
Share of profits of associates									3
Loss before tax									(396)
Income tax									—*
Loss for the year									<u>(396)</u>

* less than HK\$1 million

4. OPERATING SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2024 (Continued)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Reconciliations	Total
Other segment information:									
Expenditure for non-current assets	- (33)	-	-* (39)	-* (10)	1 (3)	-	23 (15)	-	24 (100)
Depreciation and amortisation									
Other material non-cash items:									
Fair value loss on investment properties	(17)	-	-	-	-	-	-	-	(17)
Gain on disposal of subsidiaries, net	8	-	-	-	-	-	(4)	-	4
Loss on disposal of valuable collections held for investment	-	-	-	-	(18)	-	-	-	(18)
Impairment of investments in associates	-	-	-	-	-	(4)	-	-	(4)
Share of profits of associates	-	-	-	-	-	3	-	-	3
Impairment of promissory note receivable	-	(11)	-	-	-	-	-	-	(11)
Impairment of assets of disposal groups classified as held for sale	(104)	-	-	-	-	-	-	-	(104)
Impairment of trade receivables, net	(1)	-*	(1)	-*	-*	-*	-*	-	(2)
Impairment of other receivables, net	-*	(1)	-	-	-	-	-	-	(1)
Segment assets									
Reconciled items: Corporate and other unallocated assets	1,035	149	284	42	274	92	192	-	2,068
Total assets	1,035	149	284	42	274	92	192	718	2,786
Segment liabilities									
Reconciled items: Corporate and other unallocated liabilities	859	89	422	64	70	1	57	-	1,562
Total liabilities	859	89	422	64	70	1	57	552	2,114

* less than HK\$1 million

4. OPERATING SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2023

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Reconciliations	Total
Segment revenue:									
Sales to external customers (note 5)	8	–*	344	126	149	72	66	–	765
Other revenue	–	8	3	1	5	1	3	–	21
	<u>8</u>	<u>8</u>	<u>347</u>	<u>127</u>	<u>154</u>	<u>73</u>	<u>69</u>	<u>–</u>	<u>786</u>
Operating profit/(loss)	(80)	(251)	12	(9)	(37)	7	(48)	–	(406)
Finance costs (other than interest on lease liabilities)									(120)
Reconciled items:									
Corporate and other unallocated expenses									(46)
Gain on disposal of subsidiaries									19
Loss on disposal of an associate									(1)
Loss on early redemption of 2024 Bonds									(25)
Share of profits of associates									4
Loss before tax									(575)
Income tax									–
Loss for the year									<u>(575)</u>

* less than HK\$1 million

4. OPERATING SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2023 (continued)

HK\$ million	Property investment and holding	Securities business	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Reconciliations	Total
Other segment information:									
Expenditure for non-current assets	14 (8)	-	18 (39)	5 (14)	2 (3)	5 (4)	18 (18)	-	62 (86)
Depreciation and amortisation		-						-	
Other material non-cash items:									
Fair value losses on investment properties, net	(88)	-	-	-	-	-	-	-	(88)
Fair value losses on valuable collections held for investments, net	-	-	-	-	(2)	-	-	-	(2)
Fair value losses on financial assets at fair value through profit or loss	-	(1)	-	-	-	-	-	-	(1)
Gain on disposal of subsidiaries	-	-	-	-	-	19	-	-	19
Loss on disposal of an associate	-	-	-	-	-	(1)	-	-	(1)
Share of profits of associates	-	-	-	-	-	4	-	-	4
Impairment of promissory note receivable	-	(2)	-	-	-	-	-	-	(2)
Impairment of trade receivables, net	-	(106)	-	-	(1)	-	(2)	-	(109)
Impairment of other receivables, net	-	(153)	-	-	-	-	(2)	-	(155)
Segment assets									
Reconciled items: Corporate and other unallocated assets	1,231	166	276	74	347	104	185	-	2,383
Total assets	1,231	166	276	74	347	104	185	458	2,841
Segment liabilities									
Reconciled items: Corporate and other unallocated liabilities	852	146	446	109	36	-*	93	-	1,682
Total liabilities	852	146	446	109	36	-*	93	428	2,110

* less than HK\$1 million

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) *Revenue from external customers*

HK\$ million	2024	2023
Hong Kong, Macau and Mainland	576	659
Rest of the world	2	106
	<u>578</u>	<u>765</u>

The revenue information above is based on the locations where the Group's products were sold to customers.

(b) *Non-current assets*

HK\$ million	2024	2023
Hong Kong, Macau and Mainland	1,780	1,554
Rest of the world	55	113
	<u>1,835</u>	<u>1,667</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

Information about major customers

For the years ended 31 December 2024 and 2023, no single customer contributed 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue, other income and gains, net is as follows:

HK\$ million	2024	2023
Revenue		
<i>Revenue from contracts with customers</i>	572	757
<i>Revenue from other sources</i>		
Gross rental income from investment properties, fixed payments	<u>6</u>	<u>8</u>
	<u>578</u>	<u>765</u>
Other income and gains, net		
Gain on disposal of subsidiaries, net	4	19
Gain on early redemption of convertible bonds	1	–
Interest from promissory note receivable	7	8
Others	<u>11</u>	<u>13</u>
	<u>23</u>	<u>40</u>

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2024

HK\$ million	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Total
Type of goods or services						
Sale of cars	336	37	2	-	-	375
Sale of other goods	-	-	1	-	18	19
Provision of other services	84	24	48	-	22	178
Total revenue from contracts with customers	420	61	51	-	40	572
Geographical markets						
Hong Kong, Macau and Mainland	420	61	49	-	40	570
Rest of the world	-	-	2	-	-	2
Total revenue from contracts with customers	420	61	51	-	40	572
Timing of revenue recognition						
Goods transferred at a point in time	336	37	3	-	18	394
Services transferred over time	84	24	48	-	22	178
Total revenue from contracts with customers	420	61	51	-	40	572

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (continued)

For the year ended 31 December 2023

HK\$ million	Ferrari business	Maserati business	Valuable collections and logistics	Cultural entertainment business	Other operations	Total
Type of goods or services						
Sale of cars	261	104	106	–	–	471
Sale of other goods	–	–	–	–	7	7
Provision and leasing of stage audio and lighting equipment	–	–	–	72	–	72
Provision of other services	83	22	43	–	59	207
Total revenue from contracts with customers	344	126	149	72	66	757
Geographical markets						
Hong Kong, Macau and Mainland	344	126	43	72	66	651
Rest of the world	–	–	106	–	–	106
Total revenue from contracts with customers	344	126	149	72	66	757
Timing of revenue recognition						
Goods transferred at a point in time	261	104	106	–	7	478
Services transferred over time	83	22	43	72	59	279
Total revenue from contracts with customers	344	126	149	72	66	757

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (Continued)

(a) Disaggregated revenue information (continued)

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

HK\$ million	2024	2023
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of Ferrari cars	90	69
Sale of Maserati cars	3	37

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of Ferrari cars

The performance obligation is satisfied upon delivery of Ferrari cars and payment in advance is normally required for customers.

Sale of Maserati cars

The performance obligation is satisfied upon delivery of Maserati cars and payment in advance is normally required for customers.

Sale of valuable collections

The performance obligation is satisfied upon delivery of the valuable collections and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Provision of car logistics and after-sales services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

Sale of stage audio and lighting equipment

The performance obligation is satisfied upon delivery of the stage audio and lighting equipment to customers and payment is generally due within 30 to 90 days from delivery.

5. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

Revenue from contracts with customers (Continued)

(b) *Performance obligations (continued)*

Leasing of stage audio and lighting equipment and provision of stage technical and engineering services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services. The service contracts are project based, usually last for less than 1 year and do not contain variable consideration.

Provision of advertising services under other operations

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 90 days upon completion of services.

All the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised within one year.

6. FINANCE COSTS

An analysis of finance costs is as follows:

HK\$ million	2024	2023
Interest on bank and other loans and bonds	103	108
Interest on convertible bonds	11	12
Interest on lease liabilities	2	4
	<hr/>	<hr/>
Total interest expense on financial liabilities not at fair value through profit or loss	116	124
	<hr/> <hr/>	<hr/> <hr/>

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

HK\$ million	2024	2023
Cost of valuable collections sold	2	106
Cost of Ferrari business	350	275
Cost of Maserati business	49	104
Cost of automotive services provided	32	23
Cost of cultural entertainment business	–	56
Cost of other operations	13	26
Depreciation of property, plant and equipment (including right-of-use assets)	100	86
Auditors' remuneration	3	3
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	78	104
Pension scheme contributions	2	4
	<u>80</u>	<u>108</u>
Foreign exchange losses, net	1	1
Fair value losses on valuable collections held for investments, net	–*	2
Fair value losses on financial assets at fair value through profit or loss	–*	1
Gain on disposal of subsidiaries	(4)	(19)
Loss on disposal of an associate	–	1
Loss on disposal of valuable collections held for investments	18	–
Impairment of investments in associates	4	–
Gain on early redemption of convertible bonds	(1)	–
Loss on early redemption of 2024 Bonds	–	25
	<u>–</u>	<u>25</u>

8. INCOME TAX

No provision for Hong Kong profits tax has been made in respect of the years ended 31 December 2024 and 2023.

9. DIVIDENDS

The Board did not recommend the payment of a final dividend for the year 2024 (2023: Nil). The Board did not recommend and pay an interim dividend for 2024 (2023: Nil). No dividend for the whole year of 2024 was recommended (2023: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

HK\$ million	2024	2023
Loss attributable to ordinary equity holders of the Company, used in the basic loss per share calculation	(396)	(577)
Interest on convertible bonds	11	12
	<hr/>	<hr/>
Loss attributable to ordinary equity holders of the Company before interest on convertible bonds	(385)	(565)
	<hr/>	<hr/>
	Number of Shares	
	2024	2023
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	1,603,375,600	1,331,895,699
Effect of dilution — weighted average number of ordinary shares: Convertible bonds	701,225,778	904,583,562
	<hr/>	<hr/>
Weighted average number of ordinary shares used in the diluted loss per share calculation	2,304,601,378	2,236,479,261
	<hr/>	<hr/>

Because the diluted loss per share amount is decreased when taking conversion of convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic loss per share for both years and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the year attributable to ordinary equity holders of the Company of HK\$396 million (2023: HK\$577 million), and the weighted average number of ordinary shares of 1,603,375,600 (2023: 1,331,895,699) in issue during the year.

11. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2024, the Group acquired fixed assets and right-of-use assets of approximately HK\$24 million (2023: HK\$62 million) and disposed of fixed assets of HK\$2 million (2023: HK\$6 million). The Group also recognised a surplus on revaluation of leasehold land and buildings of HK\$339 million during the year (2023: Nil).

12. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the agreement date and invoice date and net of loss allowance, is as follows:

HK\$ million	2024		2023	
	Balance	Percentage	Balance	Percentage
Within 180 days	23	85	32	74
181 to 365 days	1	4	2	5
1 to 2 years	1	4	2	5
Over 2 years	2	7	7	16
	<u>27</u>	<u>100</u>	<u>43</u>	<u>100</u>

The credit term given by the Group to its customers is generally one month. Each customer has a maximum credit limit.

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

HK\$ million	2024		2023	
	Balance	Percentage	Balance	Percentage
Current to 30 days	16	38	14	35
31 to 60 days	–	–	11	28
61 to 90 days	–	–	1	2
Over 90 days	26	62	14	35
	<u>42</u>	<u>100</u>	<u>40</u>	<u>100</u>

The trade payables were interest free, unsecured and were normally settled on a 60-day term.

14. EVENT AFTER THE END OF THE REPORTING PERIOD

On 28 February 2025, the Group completed the disposal of its associates, which are engaged in stage audio and lighting and stage engineering operations, for an aggregate consideration of HK\$8,100,000. Upon completion, the Group no longer operates the stage audio and lighting and stage engineering business.

GLOSSARY OF TERMS

General Terms

“2024 Bonds”	the 4.5% coupon bond with the aggregate principal amount of HK\$250,200,000 issued by the Company on 29 April 2022 to Treasure Goal. Partial principal amount of the HK\$30,200,000 was redeemed by the Company on 16 November 2022 and the aggregate outstanding principal amount of HK\$220,000,000 under the 2024 Bonds was setting off by Treasure Goal (the subscriber of the 2025 Convertible Bonds) against the subscription price of HK\$220,000,000 of the 2025 Convertible Bonds issued by the Company on 20 January 2023
“2024 Convertible Bonds”	the 4.5% coupon convertible bonds due on 18 August 2024 with an aggregate principal amount of HK\$30,011,500 at the initial conversion price of HK\$0.193 per conversion Share issued by the Company on 18 August 2023 to not less than six (6) placees under general mandate. The Company redeemed a partial principal amount of HK\$10,000,000 on 18 February 2024 and an aggregate principal amount of HK\$13,256,500 at maturity respectively. Following the redemption, the terms had been amended that the (i) maturity date be extended to 18 August 2025; (ii) interest rate be increased to 9.0% per annum; and (iii) conversion price be changed to HK\$0.15 per conversion Share; and the outstanding principal amount was HK\$6,755,000 as at 31 December 2024 and the date of this announcement
“2025 Convertible Bonds”	the 4.5% coupon convertible bonds due on 31 December 2025 with the initial aggregate principal amount of HK\$220,000,000 at the conversion price of HK\$0.16 per conversion Share (subject to adjustments) issued by the Company on 20 January 2023 to Treasure Goal, the subscription price of the 2025 Convertible Bonds has been satisfied by setting off the aggregate outstanding principal amount of HK\$220,000,000 under the 2024 Bonds by Treasure Goal, being the subscriber of the 2025 Convertible Bonds under the subscription agreement dated 16 November 2022. The outstanding principal amount of 2025 Convertible Bonds was HK\$93,500,000 as at 31 December 2024 and the date of this announcement
“Blackbird” or “Blackbird Group”	the Blackbird group established by the Company, which is engaged in the multi-faceted automotive business including the Ferrari business, Maserati importership, investment and trading of valuable collections, car logistics operations and other new business ventures
“Blackbird Concessionaires”	Blackbird Concessionaires Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company under the Blackbird Group

“Blackbird Tridente”	Blackbird Tridente Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company under the Blackbird Group
“Board”	the board of the Directors
“Capital Force”	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are 51% owned by Mr. Mak and 49% owned by Mr. TK Mak, a son of Mr. Mak, beneficially
“Capital Winner”	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are 51% owned by Mr. Mak and 49% owned by Mr. TK Mak beneficially
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of the Company
“Cheer Fame”	Cheer Fame International Limited (喜威國際有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are beneficially and wholly-owned by Mr. TK Mak
“China” or “PRC”	the People’s Republic of China
“Company”	CCT Fortis Holdings Limited (中建富通集團有限公司) (Stock Code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, from time to time
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“INED(s)”	independent non-executive Director(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mainland”	the mainland of the PRC

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Mak”	Mr. Mak Shiu Tong, Clement is the sole beneficial owner of Treasure Goal; and the Chairman, the chief executive officer, an executive Director and the controlling Shareholder of the Company, and holds 25,589,652 issued Shares and is deemed under Part XV of the SFO to be interested in 1,173,953,079 issued Shares, representing approximately an aggregate of approximately 74.99% of the total number of issued Shares as at the date of this announcement
“New Capital”	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the shares of which are 51% owned by Mr. Mak and 49% owned by Mr. TK Mak beneficially
“N/A”	not applicable
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suremark”	Suremark Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company and a direct wholly-owned subsidiary of the Company
“Treasure Goal”	Treasure Goal International Limited (寶高國際有限公司), a company incorporated in the British Virgin Islands with limited liability, which is beneficially and ultimately owned by Mr. Mak
“US\$”	US dollar(s), the lawful currency of the US
“US” or “USA”	the United States of America
“%”	per cent.

Financial Terms

“Gearing Ratio”	total borrowings (representing bank and other borrowings, bonds/convertible bonds and lease liabilities) divided by total capital employed (i.e. total Shareholders’ fund plus total borrowings)
“Loss Per Share”	loss attributable to ordinary equity holders of the Company divided by weighted average number of ordinary Shares in issue during the period
“Net Current Assets/(Liabilities)”	current assets less current liabilities
“Operating profit/(loss)”	operating profit/(loss) before interest, tax and unallocated income and expenses