太和控股有限公司
TAI UNITED HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 718)**

# ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors ("**Board**" or "**Directors**") of Tai United Holdings Limited (the "**Company**") announces the audited consolidated final results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 together with the comparative figures of the year ended 31 December 2023 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

| | *Notes* | **2024** *HK$'000* | 2023 *HK$'000* |
|---|---|---|---|
| **Revenue** | 4 | | |
| Contracts with customers | | **88,120** | 183,095 |
| Leases | | **31,814** | 27,499 |
| Interest income | | **614** | 1,192 |
| **Total revenue** | | **120,548** | 211,786 |
| Other income | | **1,194** | 1,948 |
| Impairment losses under expected credit loss model, net | 6 | **(323,049)** | (324,271) |
| Other gains or losses, net | 7 | **(22,764)** | (6,750) |
| Purchases and changes in inventories | | **(35,368)** | (120,280) |
| Employee benefits expenses | | **(35,895)** | (35,510) |
| Loss on disposal of subsidiaries | | **(30,253)** | – |
| Other operating expenses | 8 | **(60,399)** | (62,097) |
| Changes in fair value of investment properties | | **(355,870)** | (858,305) |
| Finance costs | 9 | **(163,462)** | (173,130) |

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | ***HK$'000*** | *HK$'000* |
| Loss before tax | 10 | **(905,318)** | (1,366,609) |
| Income tax credit | 11 | **145,575** | 197,352 |
| Loss for the year | | **(759,743)** | (1,169,257) |
| Other comprehensive (expense)/income: | | | |
| *Item that may be reclassified subsequently to profit or loss:* | | | |
| Reclassification of exchange difference to profit or loss arising on disposals of overseas subsidiaries | | **(20,621)** | – |
| Exchange differences arising on translation of foreign operations | | **10,731** | (20,110) |
| Other comprehensive expense for the year | | **(9,890)** | (20,110) |
| **Total comprehensive expense for the year** | | **(769,633)** | (1,189,367) |
| **(Loss)/profit for the year attributable to:** | | | |
| Owners of the Company | | **(760,267)** | (1,167,985) |
| Non-controlling interests | | **524** | (1,272) |
| | | **(759,743)** | (1,169,257) |
| **Total comprehensive (expense)/income for the year attributable to:** | | | |
| Owners of the Company | | **(770,163)** | (1,188,016) |
| Non-controlling interests | | **530** | (1,351) |
| | | **(769,633)** | (1,189,367) |
| **Loss per share** | 12 | | |
| – Basic *(HK cents)* | | **(14.48)** | (22.25) |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 31 December 2024*

| | Notes | 2024 HK$'000 | 2023 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | | **1,642** | 3,417 |
| Investment properties | | **1,331,445** | 2,275,479 |
| Intangible assets | | **31,001** | 46,194 |
| Mining rights | | **–** | 11,010 |
| Right-of-use assets | | **2,547** | 1,888 |
| Non-current deposits | | **363** | – |
| Other non-current assets | | **6,000** | 6,000 |
| | | **1,372,998** | 2,343,988 |
| **Current assets** | | | |
| Inventories | | **1,751** | 194 |
| Accounts receivable | 14 | **5,525** | 41,682 |
| Other receivables, deposits and prepayments | | **25,910** | 23,661 |
| Restricted bank deposits | | **11,444** | 28,011 |
| Bank balances and cash | | **352,861** | 119,261 |
| | | **397,491** | 212,809 |
| **Current liabilities** | | | |
| Accounts payable | 15 | **7,719** | 16,108 |
| Accrued liabilities and other payables | | **770,647** | 618,634 |
| Borrowings | 16 | **1,435,320** | 1,673,546 |
| Lease liabilities | | **1,108** | 1,532 |
| Tax payables | | **21,491** | 102,045 |
| Financial guarantee contracts | | **1,187,380** | 939,688 |
| | | **3,423,665** | 3,351,553 |
| **Net current liabilities** | | **(3,026,174)** | (3,138,744) |
| **Total assets less current liabilities** | | **(1,653,176)** | (794,756) |

| | Notes | **2024** | 2023 |
|---|---|---|---|
| | | ***HK$'000*** | *HK$'000* |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | **81,745** | 171,744 |
| Lease liabilities | | **1,511** | 299 |
| | | **83,256** | 172,043 |
| **Net liabilities** | | **(1,736,432)** | (966,799) |
| **Capital and reserves** | | | |
| Share capital | 17 | **262,501** | 262,501 |
| Reserves | | **(1,999,653)** | (1,229,490) |
| Deficit attributable to owners of the Company | | **(1,737,152)** | (966,989) |
| Non-controlling interests | | **720** | 190 |
| **Capital deficiency** | | **(1,736,432)** | (966,799) |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

Tai United Holdings Limited (the "**Company**") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the directors of the Company, the Company's immediate holding company is Songbird SG PTE. Ltd., a company incorporated in Singapore with limited liability and its ultimate holding company is Satinu Resources Group Ltd., a company incorporated in the British Virgin Islands ("**BVI**") with limited liability. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is Unit 2101–02, 21/F Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong.

The Company is an investment holding company and the principal activities of the Company's subsidiaries (collectively referred to "**the Group**") are property investment, sales of medical equipment, sales of flooring materials, mining and exploration of natural resources and financial services and asset management.

The consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is the same as the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

**Amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for its annual reporting period commencing 1 January 2024. The adoption of these amendments to HKFRSs did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

| | |
|---|---|
| HKAS 1 (Amendments) | Classification of Liabilities as Current or Non-current |
| HKFRS 16 (Amendments) | Lease Liability in a Sale and Leaseback |
| HKAS 1 (Amendments) | Non-current Liabilities with Covenants |
| HKAS 7 (Amendments) and HKFRS 7 (Amendments) | Supplier Finance Arrangements |

**New and amendments to HKFRSs in issue but not yet effective**

Certain new and amendments to HKFRSs have been published that are not mandatory for the financial reporting periods commencing on or after 1 January 2024 and have not been early adopted by the Group. Except as mentioned below, these standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

| | | Effective for annual periods beginning on or after |
|---|---|---|
| HKAS 21 (Amendments) | Lack of Exchangeability | 1 January 2025 |
| HKFRS 9 (Amendments) and HKFRS 7 (Amendments) | Amendments to Classification and Measurement of Financial Instruments | 1 January 2026 |
| HKFRS 9 (Amendments) and HKFRS 7 (Amendments) | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| HKFRS 10 and HKAS 28 (Amendments) | Sales or Contribution of Assets between an investor and its Associate or Joint Ventures | 1 January 2026 |
| HKFRS Accounting Standards (Amendments) | Annual Improvements to HKFRS Accounting Standards – Volume 11 | 1 January 2026 |
| HKFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |

***HKFRS 18 Presentation and Disclosure in Financial Statements***

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

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

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company have given consideration to the future liquidity of the Group in light of the following conditions. The Group incurred a net loss of approximately HK$759,743,000 during the year ended 31 December 2024 and as of that date, the Group has net current liabilities of approximately HK$3,026,174,000 and net liabilities of approximately HK$1,736,432,000 including overdue bank borrowings of approximately HK$1,430,004,000 and accrued interest of approximately HK$536,797,000 which have not yet been successfully renewed, extended nor repaid during the year ended 31 December 2024 and up to the date of approval for issuance of these consolidated financial statements. Additionally, there were certain pledge of assets in the amount of approximately HK$1,059,479,000 and financial guarantees provided by two subsidiaries established in the

PRC, namely Guangzhou Rongzhi Public Facilities Investment Co., Ltd.* (廣州融智公共設施投資有限公司) ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd.* (錦州嘉馳公共設施管理有限公司) ("**Jinzhou Jiachi**") (collectively referred to as the "**PRC Guarantor Subsidiaries**") for the bank borrowings of companies outside the Group and the court judged that the Group are liable for that amount of approximately RMB9,700,199,000. Furthermore, the bank loans of these companies comprise the principal amount and the associated interest charge of approximately RMB9,700,199,000 in relation to the pledge of assets and financial guarantees mentioned above up to the date of this report remain in default. These conditions indicate the existence of material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The consolidated financial statements have been prepared on a going concern basis as the directors of the Company are satisfied that the liquidity of the Group can be maintained in the coming year taking into the consideration of the following matters:

(i) The Group is actively negotiating with creditors regarding debt restructurings for the guarantees provided by the PRC Subsidiaries.

On 25 March 2025, a settlement agreement (the "**Settlement Agreement**") was entered into among the Company, Stone Wealth Limited ("**Stone Wealth**", being the seller under the acquisition of Guangzhou Rongzhi by the Company, details of which are set out in the circular of the Company dated 26 March 2021) and Mr. Dai Yongge ("**Mr. Dai**", being the ultimate beneficial owner of Stone Wealth). Pursuant to the Settlement Agreement, Stone Wealth and Mr. Dai have, in consideration of Guangzhou Rongzhi making the payment and with a view to compensate Guangzhou Rongzhi, undertaken to within 12 months of the date of the Settlement Agreement liaise with the debtor of Guangzhou Rongzhi and conduct necessary action(s) such that the external debt of Guangzhou Rongzhi would be reduced by an amount of at least approximately RMB280.6 million, which is the sum of (i) the payment; and (ii) the amount of onshore bank deposits of subsidiaries of the Company that have been withdrawn and transferred to accounts maintained by the court in the PRC. Details of the Settlement Agreement is disclosed in the announcement of the Company dated 25 March 2025.

(ii) The Group is exploring to disposing of or liquidating the PRC Guarantor Subsidiaries in order to discharge the guarantees, they have provided, which have fallen due; and

(iii) The Group will try to seek other financing resources to meet its liabilities and obligation as and when they are fall due.

The directors of the Company have reviewed the cash flow projections of the Group prepared by the management covering a period of not less than 12 months from 31 December 2024. Taking into account of effectiveness and feasibility of the above measures, the directors of the Company consider the Group would be able to meet its financial obligations as and when they fall due within the forecast period. Accordingly, the consolidated financial statements have been prepared on a going concern basis. The Group's ability to continue as a going concern still depends on the eventual successful outcome of the measures mention above. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements.

* *The English name is for identification only*

## 4. REVENUE

Set out below is the revenue from contracts with customers with the amounts disclosed in the segment information for the years ended 31 December 2024 and 2023:

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Revenue from contracts with customers within the scope of HKFRS 15** | | |
| – Sales of medical equipment | **20,718** | 28,482 |
| – Sales of flooring materials | **22,341** | 105,603 |
| – Properties management and related services | **45,061** | 49,010 |
| | **88,120** | 183,095 |
| **Rental income from leases** | **31,814** | 27,499 |
| **Interest income from loan financing services** | **614** | 1,192 |
| **Total revenue** | **120,548** | 211,786 |

**Disaggregation of revenue for contracts with customers**

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Geographical markets** | | |
| Revenue from sales of goods and services: | | |
| – The PRC | **65,779** | 77,492 |
| – Hong Kong | **–** | 1,194 |
| – United States of America ("**USA**") | **918** | 103,141 |
| – Australia | **17,515** | 1,017 |
| – Belgium | **3,908** | 251 |
| Revenue from rental of properties: | | |
| – The PRC | **29,520** | 24,079 |
| – UK | **2,294** | 3,420 |
| Interest income from loan financing activities | | |
| – The PRC | **614** | 1,192 |
| | **120,548** | 211,786 |
| **Timing of revenue recognised from contracts with customers** | | |
| – Over time | **77,489** | 77,701 |
| – At a point in time | **43,059** | 134,085 |
| | **120,548** | 211,786 |

## 5. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the Chief Operating Decision Maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or rendered.

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

(i) Properties investment segment – properties investment, development of shopping mall, leasing of properties, and property management;

(ii) Sales of medical equipment segment;

(iii) Sales of flooring materials segment;

(iv) Mining and exploitation of natural resources segment – mining and production of tungsten resources activities in the Republic of Mongolia ("**Mongolia**"); and

(v) Financial services and assets management segment by aggregating different operating segments including trading equity securities and derivatives and managing of assets arising from acquisition of distressed debts assets.

### Segment revenue and results

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

**For the year ended 31 December 2024**

| | Properties investment *HK$'000* | Sales of medical equipment *HK$'000* | Sales of flooring materials *HK$'000* | Mining and exploitation of natural resources *HK$'000* | Financial services and assets management *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|---|
| **Segment revenue** | **76,875** | **20,718** | **22,341** | **–** | **614** | **120,548** |
| **Segment results** | **(798,116)** | **2,176** | **(1,472)** | **(12,263)** | **(4,479)** | **(814,154)** |
| Net foreign exchange loss | | | | | | **(431)** |
| Unallocated interest income | | | | | | **877** |
| Unallocated finance costs | | | | | | **(916)** |
| Unallocated administration costs | | | | | | **(90,694)** |
| **Loss before tax** | | | | | | **(905,318)** |

For the year ended 31 December 2023

| | Properties investment HK$'000 | Sales of medical equipment HK$'000 | Sales of flooring materials HK$'000 | Mining and exploitation of natural resources HK$'000 | Financial services and assets management HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|---|
| **Segment revenue** | 76,509 | 28,482 | 105,603 | – | 1,192 | 211,786 |
| Segment results | (1,312,876) | (4,732) | (7,936) | (8,469) | (2,219) | (1,336,232) |
| Net foreign exchange gain | | | | | | 956 |
| Unallocated interest income | | | | | | 854 |
| Unallocated finance costs | | | | | | (74) |
| Unallocated administration costs | | | | | | (32,113) |
| Loss before tax | | | | | | (1,366,609) |

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both years.

Segment result represents the profit earned or loss incurred before tax by each segment without allocation of central administration costs including directors' emoluments, legal and professional fees and other operating expenses, net foreign exchange gains/losses, unallocated interest income, and unallocated finance costs. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

## 6. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

| | **2024** **HK$'000** | 2023 HK$'000 |
|---|---|---|
| Reversal of impairment losses/(impairment losses) recognised on: | | |
| – accounts receivable | **2,332** | (9,386) |
| – other receivables | **3,908** | (19,564) |
| – financial guarantee contracts | **(329,289)** | (295,321) |
| | **(323,049)** | (324,271) |

## 7. OTHER GAINS OR LOSSES, NET

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Net foreign exchange (losses)/gain | **(431)** | 956 |
| Impairment loss on intangible assets | **(11,334)** | – |
| Impairment loss on mining rights | **(11,010)** | (7,706) |
| Others | **11** | – |
| | **22,764** | (6,750) |

## 8. OTHER OPERATING EXPENSES

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Amortisation of intangible assets | **2,485** | 2,523 |
| Advertising and marketing expenses | **2,428** | 1,885 |
| Sales commission | **2,474** | 2,603 |
| Electricity and water | **10,746** | 10,270 |
| Consumables | **986** | 1,148 |
| Depreciation | **4,932** | 5,773 |
| Legal and professional fees | **8,856** | 12,847 |
| Registration, license fee and other office expenses | **7,134** | 5,726 |
| Short-term leases and property management fees | **5,187** | 7,454 |
| Repairs and maintenance | **9,192** | 8,323 |
| Other taxes | **2,928** | 2,026 |
| Others | **3,051** | 1,519 |
| | **60,399** | 62,097 |

## 9. FINANCE COSTS

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Interest expenses on: | | |
| – bank borrowings | **162,499** | 172,974 |
| – lease liabilities | **963** | 156 |
| | **163,462** | 173,130 |

## 10. LOSS BEFORE TAX

| | 2024 | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Loss for the year has been arrived at after charging/(crediting): | | |
| Directors' emoluments | **6,661** | 7,376 |
| Other staff costs: | | |
| – Salaries, allowances and benefits | **25,360** | 24,075 |
| – Retirement benefit scheme contributions | **3,874** | 4,059 |
| Total staff costs | **35,895** | 35,510 |
| Purchases of and changes in inventories | | |
| – medical equipment | **13,344** | 20,760 |
| – flooring materials | **22,024** | 99,520 |
| | **35,368** | 120,280 |
| Auditor's remuneration | **1,400** | 3,000 |
| Amortisation of intangible assets | **2,475** | 2,523 |
| Depreciation of property, plant and equipment | **1,875** | 1,968 |
| Depreciation of right-of-use assets | **3,057** | 3,805 |
| Total amortisation and depreciation | **7,407** | 8,296 |

## 11. INCOME TAX CREDIT

| | 2024 | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| The PRC Enterprise Income Tax ("**EIT**") | | |
| – Overprovision in previous years *(Note)* | **59,926** | 988 |
| – Current year | **(1,750)** | – |
| Withholding Tax on dividend declared by PRC subsidiaries | **(2,283)** | (1,737) |
| Deferred tax | **89,682** | 198,101 |
| | **145,575** | 197,352 |

*Note:* A subsidiary of the Group, 西藏宏融資產管理有限公司, has completed its deregistration process and its deregistration status has been confirmed. As a result, the previously recognised tax payables have been reversed this year.

## 12. LOSS PER SHARE

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

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Loss** | | |
| Loss for the year attributable to owners of the Company for the purpose of basic loss per share | **(760,267)** | (1,167,985) |

| | **2024** | 2023 |
|---|---|---|
| | ***'000*** | *'000* |
| **Number of shares** | | |
| Number of ordinary shares for the purpose of calculation of basic loss per share | **5,250,020** | 5,250,020 |
| **Loss per share** | | |
| Basic loss per share *(HK cents)* | **(14.48)** | (22.25) |

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

## 13. DIVIDENDS

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

## 14. ACCOUNTS RECEIVABLE

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Accounts receivable | **11,181** | 51,743 |
| Less: allowance for credit losses | **(5,656)** | (10,061) |
| | **5,525** | 41,682 |

The Group allows a credit period of 0 to 90 days (2023: 0 to 90 days) to its customers depending on the type of products sold.

The following is an ageing analysis of accounts receivable, net of allowance for credit losses, presented based on the invoice dates which approximated to the respective revenue recognition dates:

| | **2024** | 2023 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Within 30 days – 90 days | **382** | 22,819 |
| Over 90 days | **5,143** | 18,863 |
| | **5,525** | 41,682 |

## 15. ACCOUNTS PAYABLE

An ageing analysis of accounts payable presented based on the delivery date at the end of the reporting period is as follows:

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| 0–30 days | **1,289** | 839 |
| 31–90 days | **6,430** | 15,269 |
| | **7,719** | 16,108 |

The credit period granted by the suppliers was 90 days (2023: 90 days) for the year ended 31 December 2024.

## 16. BORROWINGS

| | 2024 | 2023 |
|---|---|---|
| | *HK$'000* | *HK$'000* |
| Unsecured fixed-rate bank borrowing *(note i)* | **5,316** | 5,377 |
| Secured variable-rate bank borrowing *(note ii)* | **–** | 188,670 |
| Secured fixed-rate bank borrowing *(note iii)* | **1,430,004** | 1,479,499 |
| | **1,435,320** | 1,673,546 |

*Notes:*

(i) As at 31 December 2024, the unsecured fixed-rate bank borrowing amounting to approximately HK$5,316,000 (2023: HK$5,377,000) which is unguaranteed, carried at fixed interest rate of 3.85% (2023: 3.85%) and is repayable within one year.

(ii) As at 31 December 2023, the secured variable-rate bank borrowing carried interest at the London Interbank Offered Rates ("**LIBOR**") plus a margin of 2.75% per annum, which the effective interest rate is 5.99% to 8.12% per annum. It contains a repayment on demand clause and contractually repayable within one year based on scheduled repayment dates set out in the loan agreement. The loan agreement was expired in November 2022 and further extended to November 2023 and conditionally extended to March 2024. In May 2024, the loan was fully repaid.

(iii) As at 31 December 2024 and 2023, the secured fixed-rate bank borrowing which is guaranteed by Mr. Dai, carried fixed interest rate of 7%.

The secured bank borrowing was secured by the investment properties and 100% equity interest of a subsidiary established in the PRC as at 31 December 2024 and 31 December 2023.

The bank borrowing was expired in January 2021 and had not yet been successfully renewed nor extended as at 31 December 2024 and 2023. Accordingly, the bank borrowing became overdue, repayable on demand, and was shown under current liabilities. The bank borrowing has not yet been renewed, extended nor repaid up to the date these consolidated financial statements are authorised to issue.

At 31 December 2024, the Group's investment properties with carrying amount of approximately HK$540,531,000 (2023: HK$862,070,000) was pledged as security for the Group's secured bank borrowings of approximately HK$1,430,004,000 (2023: HK$1,479,499,000).

## 17. SHARE CAPITAL

| | Number of shares | Share capital *HK$'000* |
|---|---|---|
| **Authorised ordinary shares at HK$0.05 per share** | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 34,566,666,668 | 1,728,333 |
| **Issued and fully paid ordinary shares at HK$0.05 per share** | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 5,250,019,852 | 262,501 |
| **Authorised preference shares at HK$0.05 per share** | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 5,433,333,332 | 271,666 |
| **Issued and fully paid preference shares at HK$0.05 per share** | | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | – | – |

## 18. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to confirm to the current year's presentation.

## EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

### *QUALIFIED OPINION*

*We have audited the consolidated financial statements of Tai United Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 89 to 209, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.*

*In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.*

### *BASIS FOR QUALIFIED OPINION*

***Limitation of scope – accuracy and completeness of financial guarantee contracts***

*As disclosed in the "Basis for Qualified Opinion" section of the auditor's report of the auditor of the consolidated financial statements of the Group for the financial year ended 31 December 2023 (the "**Predecessor Auditors**") and in note 45 to the consolidated financial statements:*

– *During the year ended 31 December 2021, the Group acquired Guangzhou Rongzhi Public Facilities Investment Co., Ltd. ("**Guangzhou Rongzhi**") and Jinzhou Jiachi Public Facilities Management Co., Ltd. ("**Jinzhou Jiachi**") (collectively referred to as the "**PRC Subsidiaries**") through the acquisition of their immediate holding company, Sky Build Limited and Superb Power Enterprises Limited (the "**Acquisition**"), respectively, from their shareholder (the "**Predecessor Shareholder**").*

- *During the year ended 31 December 2023, several legal claims were filed against the PRC Subsidiaries due to the fact that the PRC Subsidiaries pledged their investment properties and provided financial guarantees (the "**Securities**") to secure bank loans granted to several companies related to the Predecessor Shareholder (the "**Borrowers**") together with other guarantors. The Borrowers defaulted in the bank loans' repayment together with the interest and other charges. As at 31 December 2023, the principal and interests of the defaulted bank loans by the Borrowers amounted to RMB7,269,900,000 (the "**Overdue Amount**").*

- *The Securities were allegedly originated prior to the Acquisition and the board of directors of the Company as at the date of the Acquisition had no knowledge of the Securities. Therefore, no disclosure of the pledge of assets and provision of financial guarantee contracts was made as of the Acquisition date.*

- *Since the Securities were entered into prior to the Acquisition, the existing board of directors of the Company are unable to ensure the completeness of the information in relation to pledged assets and financial guarantee contracts entered into.*

- *In respect to the identified financial guarantee contracts resulted from the legal claims filed during the year ended 31 December 2023, the Group recognised the financial guarantee contracts amounted to HK$939,688,000 and HK$664,394,000 as at 31 December 2023 and 2022, respectively, representing an initial recognition amount of HK$664,394,000 for the year ended 31 December 2022 and further provision of HK$295,321,000 for the year ended 31 December 2023.*

- *However, with respect to the legal claims, during the year ended 31 December 2023, the court issued a statement which stated that all guarantors, including the PRC Subsidiaries, are liable for the Overdue Amount but did not specifically indicate the portion to be borne by the PRC Subsidiaries. The court also stated that the pledged assets were seized by the court to settle the outstanding bank loan with guarantees provided by other guarantors, however, the amounts to be borne by the Group have not yet been determined by the court. In the opinion of the directors, no credibility information of the other guarantors was available, therefore, the potential exposure in relation to the pledged assets and financial guarantees for bank loans now determined as in default cannot be determined.*

*The Predecessor Auditor was unable to obtain sufficient appropriate audit evidence to ascertain the completeness and valuation of the Securities, in which the financial guarantee contracts amounted to HK$939,688,000 as at 31 December 2023 and HK$295,321,000 of expected credit loss on financial guarantee contracts was provided in the year ended 31 December 2023.*

*As a result of the matters described above, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the financial effects of the Securities, including the effects on the recognition and measurement of the financial guarantee contracts issued by and the investment properties pledged by the PRC Subsidiaries as securities, have been properly accounted for and disclosed in the consolidated financial statements. Any adjustments found necessary might have significant effects on (i) the carrying amounts of the provision for financial guarantee contract liabilities of approximately HK$1,187,380,000 and approximately HK$939,688,000 as at 31 December 2024 and 31 December 2023 respectively and the investment properties of the Group of approximately HK$1,059,479,000 and approximately HK$1,404,370,000 as at 31 December 2024 and 31 December 2023 respectively included in the consolidated statement of financial position of the Group as of these financial reporting dates; (ii) the amounts recognized in the consolidated profit or loss of the Group as expected credit loss on the financial guarantee contracts of approximately HK$329,289,000 and approximately HK$295,321,000 for the years ended 31 December 2024 and 31 December 2023 respectively; (iii) the amounts recognized in the consolidated profit or loss of the Group as loss on changes in fair value of investment properties of approximately HK$355,870,000 and approximately HK$858,305,000 for the years ended 31 December 2024 and 31 December 2023 respectively; and (iv) the related elements making up, and related disclosures in, the consolidated financial statements for the years ended 31 December 2024 and 31 December 2023.*

*Any adjustments found necessary to the consolidated financial statement line items described above might have a consequential effect on the Group's financial position as at 31 December 2024 and 31 December 2023, its financial performance and cash flows for the years ended 31 December 2024 and 31 December 2023 and the presentation and disclosure thereof in the consolidated financial statements.*

*We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.*

***OTHER MATTER***

*The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed a qualified opinion on those statements on 12 June 2024, in respect of the limitation of scope as described above.*

***MATERIAL UNCERTAINTY RELATED TO GOING CONCERN***

*We draw attention to Note 3.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$759,743,000 during the year ended 31 December 2024 and, as of that date, the Group's has net current liabilities of approximately HK$3,026,174,000 and net liabilities of approximately HK$1,736,432,000, including the overdue bank borrowing of approximately HK$1,430,004,000 and accrued interest of approximately HK$536,757,000 which have not yet been successfully renewed, extended nor repaid during the year ended 31 December 2024 and up to date of this report and certain legal claims filed against the Group related to certain pledge of assets and financial guarantees. As stated in Note 3.1, these events or conditions, along with other matters as set forth in Note 3.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.*

## MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL PERFORMANCE

The revenue of the Company for the year ended 31 December 2024 (the "**Year**") was approximately HK$120.5 million, representing a significant decrease of 43.1% as compared to revenue of approximately HK$211.8 million after reclassification for the year ended 31 December 2023, such decreased was mainly due to decrease in revenue generated from (i) sales of medical equipment; and (ii) sales of flooring materials of the Group. Revenue decreased, so the Company actively implemented continuous cost saving plan, the Group recorded a loss before tax of approximately HK$905.3 million during the Year, decreased by 33.8% as compared with the loss before tax of HK$1,366.6 million in the year ended 31 December 2023, with the combined effect of:

(i) a decrease in fair value of investment properties in the PRC of approximately HK$355.9 million;

(ii) sale of UK INVESTMENT PROPERTIES in December this year recorded loss of approximately HK$30.2 million;

(iii) finance costs of approximately HK$163.5 million for the Year, representing a slight decrease from approximately HK$173.1 million during the year ended 31 December 2023, which was due to the bank loans of approximately RMB1,345 million in connection to the acquisition of Guangzhou Shopping Mall (as defined below); and

(iv) provision for guarantee contracts of approximately HK$329.3 million during the Year, which was due to guarantees provided by immediate holding companies of the Guangzhou Shopping Mall and Jinzhou Shopping Mall (as defined below). The guarantees were provided to onshore banks in the PRC in relation to third party loans and such guarantees were not disclosed to the Group by the seller at the time of acquisition of the holding companies of the two shopping malls.

Income tax credit for the Year was approximately HK$145.6 million (2023: was approximately HK$197.4 million).

Taking into account the income tax mentioned above and netting of non-controlling interests, the Group recorded the loss attributable to owners of the Company decreased from approximately HK$1,168.0 million for the year ended 31 December 2023 to approximately HK$760.3 million for the Year.

## BUSINESS REVIEW

The Group is principally engaged in the businesses of property investment, flooring materials and medical equipment trading, mining and exploitation of natural resources, and financial services and assets management.

### (1) Property Investment

***Shopping Mall Businesses in the PRC***

The Group wholly owns three shopping malls in the PRC, including: (i) a single-storey underground mall ("**Jinzhou Shopping Mall**") located in Jinzhou, Liaoning Province, the PRC, which is engaged in the shopping mall business ("**Jinzhou Shopping Mall Business**"); (ii) a two-storey underground mall ("**Guangzhou Shopping Mall**") located in Guangzhou, Guangdong Province, the PRC, which is engaged in the shopping mall business ("**Guangzhou Shopping Mall Business**"); and (iii) a two-storey underground mall (the "**Anyang Shopping Mall**") located in Anyang city, Hunan Province, the PRC, which is engaged in the shopping mall business ("**Anyang Shopping Mall Business**").

Anyang Shopping Mall Business, together with Jinzhou Shopping Mall Business and Guangzhou Shopping Mall Business are the "Shopping Mall Businesses in the PRC".

The business and operating model of the Jinzhou Shopping Mall, Guangzhou Shopping Mall and Anyang Shopping Mall primarily involves the leasing of stores to retailers and wholesalers of apparels, accessories, household appliances and food and beverage and other venue areas in the shopping malls for marketing and promotional activities. It derives revenue from rental income and the provision of property management services to tenants, including mall security, maintenance and repair and management of the operations of the three shopping malls. The Company holds the three shopping malls as investment properties and conducts day-to-day operations primarily in leasing and property management services which generate rental and property management incomes.

In addition, as to the Guangzhou Shopping Mall, under certain contracts with its tenants, the operating rights of the stores may be transferred to them after a specified period of the lease. This and the sales promotion and leasing activities by the leasing team of the Guangzhou Shopping Mall generate additional revenue from the transfer of operating rights of the stores. For the Year, there was no further completion of pre-existing contracts prior to the acquisition of the holding company of the Guangzhou Shopping Mall in 2021, which led to no revenue recorded (2023: Nil) from the transfer of the operating rights of store units of the mall.

The Group has been undertaking a diversified business strategy. The acquisitions of three shopping malls in Anyang, Jinzhou and Guangzhou that completed in 2021 are in line with the strategic development of the Group and have provided an opportunity for the Group to widen its shopping malls network, expand the geographical coverage and scale up its shopping mall businesses. It is expected that the promotional campaigns, marketing activities and branding of the shopping malls of the Group will become more effective and cost-efficient. Anyang Shopping Mall is located in the central region of the PRC while the shopping malls in Jinzhou and Guangzhou are located in the north-eastern region and southern region of the PRC respectively. The acquisitions have allowed the Group's shopping mall network to have a strategic presence in central, north-eastern and southern regions of the PRC and expand geographically across the above regions in the PRC and potentially grow its market share.

The Shopping Mall Businesses in the PRC primarily involve the leasing and management of operations of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall. As of 31 December 2024, details of the three shopping malls are set out as follows:

| **Shopping Mall** | **Gross Floor Area** *(approximately sq.m.)* | **Leasable Floor Area** *(approximately sq.m.)* | **Leased Floor Area** *(approximately sq.m.)* |
|---|---|---|---|
| **Anyang Shopping Mall** | | | |
| Anyang Diyi Shopping Street Shopping Mall in the PRC | 25,310 | 24,815 | 15,843 |
| **Jinzhou Shopping Mall** | | | |
| Jinzhou First Tunnel Shopping Mall in the PRC | 40,765 | 38,809 | 25,008 |
| **Guangzhou Shopping Mall** | | | |
| Guangzhou First Tunnel Shopping Mall in the PRC Phases 1 and 2 | 89,415 | 38,879 | 21,746 |

For the Year, the revenue generated from the Shopping Mall Businesses in the PRC was mainly attributable to the rental income and property management and related service income from shops and venue spaces tenants of approximately HK$74.6 million.

As at 31 December 2024, the fair values of investment properties of Anyang Shopping Mall, Jinzhou Shopping Mall and Guangzhou Shopping Mall amounted to approximately HK$271.9 million, approximately HK$518.9 million and approximately HK$540.5 million respectively.

*Real Estate in the UK*

The Group held luxury real estate ("**UK INVESTMENT PROPERTIES**") at 6-9 Buckingham Gate, London, the United Kingdom, SW1E 69JP, a premium location in central London within close proximity to the Buckingham Palace. The property is held leasehold on a term of 999 years from 1 April 2017 with a share of freehold on title NGL852473 (7 Buckingham Gate) and NGL852477 (8 & 9 Buckingham Gate).

The business and operating model of the UK INVESTMENT PROPERTIES involved the leasing and property management of luxury residential properties in London, which are leased to high-end tourists and tenants for rental income.

On 23 April 2024, the Company and C&E Flooring Supply Limited (the "**Purchaser**") entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, all the issued shares of Wide Flourish Investments Limited (a wholly-owned subsidiary of the Company as of the date of the sale and purchase agreement) (the "**Target Company**") for a consideration of GBP50,000,000. The Target Company and its subsidiaries primarily hold and manages the UK INVESTMENT PROPERTIES located in London, the United Kingdom for rental income. The Purchaser is indirectly wholly-owned by Mr. Pang Da Yong, who is a director of the subsidiaries of the Target Company and thus the Purchaser is an associate of Mr. Pang Da Yong and a connected person of the Company at subsidiary level under the Listing Rules. The transaction was completed in December 2024. For further details, please refer to the Company's announcements dated 23 April 2024, 28 June 2024 and 27 December 2024, and circular dated 11 June 2024.

A net loss of HK$30.2 million is recorded from the sale of the UK INVESTMENT PROPERTIES. The revenue generated from the UK INVESTMENT PROPERTIES for the Year was approximately HK$2.3 million, representing a decrease of 32.4% as compared to approximately HK$3.4 million over the year ended 31 December 2023.

As such, the overall segment results were therefore a loss of approximately HK$798.1 million, representing a decrease of approximately 39.2% as compared to the loss of approximately HK$1,312.9 million in the year ended 31 December 2023. A loss for the year was mainly due to provision for guarantee contracts of approximately HK$329.3 million, decrease in fair value of China investment properties of approximately HK$355.9 million, loss of HK$30.2 recorded for sale of UK properties and finance costs of approximately HK$161.2 million during the Year, which was due to the bank loan of approximately RMB1,345 million in connection to the acquisition of Guangzhou Shopping Mall.

### (2) Flooring Materials and Medical Equipment Trading

The Group's trading business of flooring materials with overseas customers recorded revenue of approximately HK$22.3 million for the Year, representing a decrease of 78.9%, as compared to approximately HK$105.6 million over the year ended 31 December 2023. The decrease was due to U.S. and China trade tension. The Group has made sales of flooring board materials to overseas customers by exporting to markets including the United States, Australia and Belgium. Leveraging on the potential synergies with the Group's Shopping Mall Business in the PRC, we expect to capitalise on the shopping mall tenants and customer networks to develop and expand our domestic sales of flooring, ceiling and other decorative materials.

The Group carries out medical equipment trading and other commerce business in China for which the majority customers are hospitals. As the selling products are mostly general medical equipment, consumable goods and optical medical devices and the related parts ("**Medical Products**"), the Group operates in a highly competitive market. The revenue for the Year decreased to approximately HK$20.7 million, represented a decrease of 27.4% as compared with approximately HK$28.5 million of the year ended 31 December 2023. The decrease was mainly due to drop in sales to hospitals as a results of the government policies of centralised purchase and adjustments to national medical insurance. The segment gain for medical equipment trading and other commerce business for the Year was approximately HK$2.2 million, as compared to a loss of approximately HK$4.7 million for the year ended 31 December 2023.

### (3) Mining and Exploitation of Natural Resources

Currently, the Group holds four mining right licences ("**Mining Rights**") of three tungsten projects in Mongolia. The segment of mining and exploitation of natural resources business recorded no revenue during the Year. In view of various factors including the closure of factories, suspension of production lines leading to lower market demand, some of the potential mining partners or investors had limited interest in investing in this segment during the Year.

The carrying values of the Mining Rights was nil for the Year, representing a decrease of approximately 100% as compare to approximately HK$11.0 million over the year ended 31 December 2023. In the opinion of the directors of the Company, the value in use is not achievable due to the vast capital outlay required. An impairment loss of approximately HK$11 million was recognised during the year ended 31 December 2024 to fully write down the carrying amounts of the mining rights. The Group is still continuously identifying potential investors to negotiate the sales of the Mining Rights.

### (4) Financial Services and Assets Management

The segment loss for the Year was approximately HK$4.5 million, compared with the segment loss of approximately HK$2.2 million after reclassification for the year ended 31 December 2023. The status of each of the business in this segment is further discussed as below.

***Financial Services***

The Group holds a money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) through a wholly-owned subsidiary. Due to uncertain market conditions, the commencement of money lending business will be postponed.

***Distressed Debt Assets Management***

The business incurred a loss of approximately HK$4.8 million for the Year, mainly representing the overhead costs of the business operation, whereas the loss of the year ended 31 December 2023 was approximately HK$3.2 million. The Directors will continue to assess whether the Group should continue to engage in distressed assets investment.

## FINANCIAL REVIEW

### Capital Structure

As at 31 December 2024, the consolidated net liabilities of the Group was approximately HK$1,736.4 million, representing an increase of approximately HK$769.6 million as compared to that net liability of approximately HK$966.8 million as at 31 December 2023. There is no shares movement since the end of the last year. As at 31 December 2023, the Company has 5,250,019,852 shares of HK$0.05 each in issue and the total deficit to owners of the Company was approximately HK$1,737.2 million (as at 31 December 2023: deficit attributable to owners of the Company was approximately HK$967.0 million).

### Liquidity and Financial Resources

As at 31 December 2024, the Group's bank balances and cash were approximately HK$364.3 million (as at 31 December 2023: approximately HK$147.3 million), current assets of approximately HK$397.5 million (as at 31 December 2023: approximately HK$212.8 million), current liabilities of approximately HK$3,423.7 million (as at 31 December 2023: approximately HK$3,351.6 million). The current ratio was 0.12 times[*(Note 1)*] (as at 31 December 2023: 0.06 times). As at the end of the Year, the net current liabilities of the Group were approximately HK$3,026.2 million (as at 31 December 2023: approximately HK$3,138.7 million).

As at 31 December 2024, the total debt financing of the Group was approximately HK$1,435.3 million (as at 31 December 2023: approximately HK$1,673.5 million), and there was no non-current debt financing for the Year (as at 31 December 2023: nil).

As at 31 December 2024, net debt*(Note 2)* of the Group was approximately HK$2,269.8 million (as at 31 December 2023 net debt of approximately HK$2,494.0 million included provision of financial guarantee contracts and excluded restricted bank deposit) and the total deficit was approximately HK$1,736.4 million (as at 31 December 2023: total deficit was approximately HK$966.8 million). Therefore, the gearing ratio*(Note 3)* as at the end of the Year was -0.83 (as at 31 December 2023: -1.73).

The objective of the Group's funding and treasury management activities is to ensure a sufficient liquidity to meet operational needs and various investment plans.

## Capital Commitments

As at 31 December 2024, the Group has no material capital commitments and was not engaged in any future plans concerning major investment or acquisition of capital assets (as at 31 December 2023: nil).

## Charges on Group Assets

As at 31 December 2024, the Group's bank borrowings of approximately HK$1,430.0 million were secured by certain assets of the Group, including investment properties and the equity interest of a wholly-owned subsidiary (as at 31 December 2023: approximately HK$1,668.2 million).

During the year ended 31 December 2021, the Group acquired Guangzhou Rongzhi and Jinzhou Jiachi (collectively referred to as the "**PRC Subsidiaries**") through the acquisition of their immediate holding company, Sky Build Limited and Superb Power Enterprises Limited (the "**Acquisition**"), respectively, from their shareholder (the "**Predecessor Shareholder**").

In 2023, several legal claims were filed against the PRC Subsidiaries mainly due to the fact that the PRC Subsidiaries pledged the operating rights of its investment properties (the "**Pledges**") to secured bank loans granted to several companies related to the Predecessor Shareholder (the "**Borrowers**") together with other guarantors and/or pledgors. The Borrowers defaulted bank loan repayment. As at 31 December 2024, the principal of the defaulted bank loan by the Borrowers was amounted to RMB3,400,000,000 (the "**Overdue Amount**").

*Notes:*

1. Current ratio = Current assets/Current liabilities

2. Net debt = Borrowings included provision of financial guarantee contracts – Bank balances and cash, excluded restricted bank deposit

3. Gearing ratio = Total interest-bearing borrowings/Total equity

The Pledges were allegedly originated prior to the Acquisition and the board of directors at the date of the Acquisition has no knowledge for the Securities. Therefore, no disclosure of pledge of assets contracts was made in the completion account as of the Acquisition date.

Since the Pledges were entered into prior to the Acquisition, the existing board of directors of the Group are unable to ensure the completeness of the information in relation to pledged assets contracts entered into.

Reference is made to the Company's announcements dated 28 March 2023, 4 April 2023, 29 November 2023, 12 December 2023, 5 February 2024 and 4 March 2024.

**Contingent Liabilities**

During the period from November 2018 to July 2019, two of the Group's subsidiaries, namely Guangzhou Rongzhi and Jinzhou Jiachi entered into various financial guarantee contracts with Shengjing Bank Co., Ltd and Bank of Jinzhou Co, Limited respectively for the bank borrowings of seven companies which were related to Mr. Dai Yonggue ("**Mr. Dai**"). The maximum liabilities guaranteed by Guangzhou Rongzhi and Jinzhou Jiachi were principal amounts of RMB569,900,000 and RMB3,300,000,000 respectively together with the outstanding accrued interests and other charges. At the prevailing time of those financial guarantee contracts entered into, Guangzhou Rongzhi and Jinzhou Jiachi were not subsidiaries of the Company, but companies indirectly controlled by Mr. Dai. The Group acquired the entire equity interests in Guangzhou Rongzhi and Jinzhou Jiachi through the acquisitions of Superb Power Enterprises Limited and Sky Build Limited respectively that were completed in April 2021. In the opinion of the directors of the Company, the Group became aware of those financial guarantee contracts when the Group received the PRC court notices about legal claims during the year ended 31 December 2023. Subsequently, the PRC court had judged on the claims that Guangzhou Rongzhi and Jinzhou Jiachi are jointly are severally liable for the loans guaranteed by the Group with the other guarantors. Reference is made to the Company's announcements dated 13 October 2023, 29 November 2023, 12 December 2023, 5 February 2024, 4 March 2024, 20 March 2024, 22 April 2024, 30 April 2024, 10 May 2024, 30 July 2024, 16 August 2024, 29 October 2024 and 10 December 2024. During the Year, the Group recognised RMB1,116,798,000 (31 December 2023: RMB854,262,000) (equivalent to approximately HK$1,187,380,000 (31 December 2023: HK$939,688,000)) impairment losses on these financial guarantee contracts based on the valuation prepared by Messer International Valuation Limited, an independent qualified professional valuer not connected with the Group, which was engaged by the Company for the year ended 31 December 2023 and the Year.

During the course of the preparation of the consolidated financial statements for the Reporting Period, the directors considered the expected payments to reimburse the holder of the guarantees were no longer recoverable from the borrowers and therefore recorded a loss of approximately HK$329,289,000 (year ended 31 December 2023: HK$295,321,000) in the profit or loss.

### Foreign Exchange Exposure

The Group's financial statements are denominated in Hong Kong dollars ("**HKD**"), while the Group is conducting business mainly in HKD, United States Dollar ("**USD**"), Great British Pound ("**GBP**") and Renminbi ("**RMB**"). Since exchange rates of HKD is pegged to USD, there is no material exchange risk in respect of USD assets and transactions. However, the assets, liabilities and transactions of the UK and the PRC subsidiaries of the Group are mainly denominated in GBP and RMB respectively, there were exchange risks during financial settlement at the end of Year in this regard.

The Group has implemented policies and guidelines in relation to foreign exchange risk management. Meanwhile, the subsidiaries in the PRC are able to generate sufficient income to deal with their local currency expenses; therefore, the management of the Company considered that the Group's exposure to the potential foreign currency risk was relatively limited.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 163 (as at 31 December 2023: 187) employees, of whom approximately 8.6% (as at 31 December 2023: 7.5%) were located in Hong Kong and the rest were located in the PRC and overseas.

The Group recognises the employees as the key element that contributes to the Group's success. The Group's remuneration policies are formulated based on the individual performance and the salaries trends in various regions, which will be reviewed annually. Apart from mandatory provident fund and medical insurance, the Company has adopted a share option scheme under which share options may also award to the Directors and eligible employees as an incentive with reference to the assessment of individual performance. The Board believes that the Group maintains an admirable relationship with the employees.

## DIVIDENDS

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

## PROSPECTS

In 2025, while there are new favourable factors for global economic development, some relatively significant adverse influences still exist, and the world remains in a phase of economic cycle adjustment. IMF "World Economic Outlook Report" released in October 2024 forecasts the 2025 global economic growth of 3.2%, which is consistent with 2024 levels. China will continue to boost its economy in 2025 to maintain a 5% growth target. The economy is expected to sustain its recovery momentum, with moderate consumption growth and improving corporate profitability. However, the trade war initiated by the United States will pose certain obstacles to this recovery.

China will continue to enhance the convenience and its appeal of travelling, promoting the opening up of the service sector and raising the level of openness in fields such as culture, tourism, education, technology and healthcare. It will also further pilot the expansion of visa-free countries to attract more foreign visitors coming to China for sightseeing, study, business and excursion. Thus, a more favorable business environment will be fostered for the Company's shopping malls' apparel wholesale tenants targeting overseas customers.

The Guangzhou Shopping Mall completed a series of optimization measures during the Year to support business development in 2025. These measures include expanding the scale advantage of tenants which take overseas orders, and promotion through participation in trade conventions, so as to build an international recognition for its apparel wholesale hot spot. Besides, the lighting style in the main aisles had been upgraded to enhance the strolling zone atmosphere. Standard rental rates for the zones have been adjusted to lower entry barriers, attracting tenants of high-quality women's fashion wear and upgrading products' class in the women's fashion wear and branded children's wear sections. In terms of marketing, the Guangzhou Shopping Mall has been producing promotional reels for five we-media accounts registered on platforms including Douyin, Kuaishou, WeChat Video and WeChat Official Accounts. These will be accompanied by promotional articles on public accounts, as well as influencers' check-in events and posts in the children's wear section, alongside with videos attracting viewers' stream to boost tenants' business and the mall's popularity.

In 2025, in addition to reinforcing last year's operational optimization efforts, the Guangzhou Shopping Mall will further improve its shopping environment, which includes enhancing the ground level entrance image, improving lighting and restroom conditions to a higher standard. To target overseas merchandisers, the apparel wholesale zone will introduce additional amenities for foreign customers, such as exotic restaurants, coffee breweries and dessert shops. While incorporating leisure and entertainment options for foreigners, the mall will strengthen tenant recruitment.

In 2025, the Jinzhou Shopping Mall will reinforce the focus on university students as its primary consumer base, adjust section layout and introduce trendy features such as anime merchandise, handicrafts, boutique accessories and cultural tourism products. Meanwhile, newly renovated zones will host events of different themes periodically, integrating elements like matchmaking, bazaar shopping and street dance performances to create a vibrant and romantic social entertainment venue. This will enhance participants' social experiences and satisfaction, creating unique and impressive event memories. These initiatives will attract visitors traffic, boost consumption, and elevate the mall's recognition and image, generating significant popularity and economic benefits for the mall and the surrounding merchants. Next year's tenant recruitment focus will leverage on the improved overall business landscape and increased customer flow following last year's adjustments to shift recruitment efforts toward tail-end areas. Diversity plans will be introduced for new industry mix, including theme bars, creative bazaars, and interactive entertainment experiences.

In 2025, the Anyang Shopping Mall will focus on recruitment of tenants for entertainment activities like escape rooms and murder plot games, fostering anime theme and product interaction to attract anime lovers' visits and consumption. Targeting on core female consumers, mainstream items like fashion, trendy items, nail salons, and light food and beverage will be strengthened, while recruiting bazaar tenants of taverns, handmade goods, accessories, and cultural tourism products to create a distinctive bazaar theme zone. In recent years, anime culture and peripheral merchandise ("guzi") stores have become a new consumption trend in several major domestic cities. In response, the Anyang Shopping Mall is planning to create an anime zone to host regular anime exhibitions to promote tenant recruitment for "guzi" stores. In the entertainment zone, a social space for young people will be set up to introduce competitive brands. With the opening of nearby night market, the mall will take this opportunity to attract tenants for light dining, bistros, lounges and music bars, building a new mingling hub for young people. The mall will also utilize we-media promotion, and plan to convert online and offline traffic into membership resources. Apart from directly sending events infos and discounts to members, the mall will also collaborate with tenants to post videos or comments on platforms like Douyin and Xiaohongshu to generate consumption traffic for the mall.

The flooring trade business is expected to be affected by the trade war initiated by the United States. The Group will closely monitor the developments, recalibrate business strategies in a timely manner, and actively explore other markets to mitigate the negative impacts of the trade war on this business.

One of the main focuses for the Group in 2025 will be debt restructurings for the Guangzhou and Jinzhou Shopping Malls. By proactively communicating and negotiating with creditor banks and stakeholders, the goal is to reduce the debt and guarantee obligations of these two subsidiaries, and to ensure the malls' normal operations and income. These initiatives will unlock the intrinsic asset value of the two shopping malls, improve the Group's overall assets structure, remove obstacles to long-term development and lay a new foundation for stable and sustainable operations of the Group.

## SUBSEQUENT EVENTS AFTER THE YEAR

### Payment of refurbishment work for UK properties

During the Year, the Company entered into a very substantial disposal and connected transaction for the disposal of the entire interest in a subsidiary which holds the London properties for GBP50 million. Deposit of approximately GBP19 million from the transaction was used to repay defaulted loan in UK. The transaction was completed in December 2024. Pursuant to certain warranties given by the Company under the sale and purchase agreement of the transaction, the Company paid approximately GBP3 million to the buyer in January 2025 for the refurbishment work to restore the London properties into good condition. For further details of the related matters, please refer to the Company's announcements dated 23 April 2024, 28 June 2024 and 27 December 2024 and circular dated 11 June 2024.

**Payment by Guangzhou Rongzhi to settle litigation claims by Other Claimant Bank**

In January 2025, the Group made payment of RMB236.2 million (the "**Payment**") in response to the enforcement notice and/or judgment orders granted by the PRC courts in respect of the guarantee liabilities of Guangzhou Rongzhi with respect to the loans of Shenyang Ruifan and Shenyang Shenghe under the abovementioned litigation claims brought by the Other Claimant Bank as disclosed in the announcements dated 14 July 2023, 26 July 2023, 20 March 2024, 30 April 2024, 30 July 2024 and 16 August 2024 (the "**Announcements**").

The Payment was made by the Group taking into account (i) that the Other Claimant Bank has issued letters of chasers to Guangzhou Rongzhi on fulfilment of its guarantee obligations; (ii) the advice from the PRC counsel about the potential risks that the Company might be exposed to (including potential enforcement actions such as freezing orders on the operating rights of the shopping malls owned by Guangzhou Rongzhi) if it fails to comply with the letters of chasers, enforcement notices and/or judgment orders in time; and (iii) a consensus with the Five Borrowers that Guangzhou Rongzhi will be relieved of any remaining debt responsibilities after the Payment.

For further details of the related matters, please refer to the Company's announcement dated 27 January 2025.

**Transfer of loans and guarantee liabilities due to Bank of Jinzhou**

In March 2025, the Company received notices from Bank of Jinzhou and 錦州市華銀資產經營有限公司 (the "**Transferee**"), a company with majority shareholding of which is owned by Jinzhou Municipal Government, informing that all the loans and guarantee liabilities of Guangzhou Runzhi and Jinzhou Jiachi due to Bank of Jinzhou have been transferred to the Transferee at original terms of the loans and guarantees.

**Settlement Agreement with seller of the Guangzhou and Jinzhou Shopping Malls**

On 25 March 2025, a settlement agreement (the "**Settlement Agreement**") was entered into among the Company, Stone Wealth Limited ("**Stone Wealth**", being the seller under the acquisition of Guangzhou Rongzhi by the Company, details of which are set out in the circular of the Company dated 26 March 2021) and Mr. Dai, being the ultimate beneficial owner of Stone Wealth). Pursuant to the Settlement Agreement, Stone Wealth and Mr. Dai have, in consideration of Guangzhou Rongzhi making the Payment and with a view to compensate Guangzhou Rongzhi, undertaken to within 12 months of the date of the Settlement Agreement liaise with the debtor of Guangzhou Rongzhi and conduct necessary action(s) such that the external debt of Guangzhou Rongzhi would be reduced by an amount of at least approximately RMB280.6 million, which is the sum of (i) the Payment; and (ii) the amount of onshore bank deposits of subsidiaries of the Company that have been withdrawn and transferred to accounts maintained by the court in the PRC.

For further details of the related matters, please refer to the Company's announcement dated 25 March 2025.

## PURCHASE, SALE OR REDEMPTIONS OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares). As at 31 December 2024, the Group did not hold any treasury shares.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining statutory and regulatory standards and adhering to the principles of corporate governance with emphasis on transparency, independence, accountability and responsibility. During the year ended 31 December 2024, the Company has complied with all the applicable code provisions of the Corporate Governance Code ("**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules, except for certain deviations disclosed herein.

The CG Code stipulates that the roles of chairman of the board and chief executive officer ("**CEO**") should be separate and should not be performed by the same individual. Mr. Wang Hongfang performs both roles of chairman and CEO during the period starting from 31 January 2022 to 31 October 2024 and was responsible for overseeing the daily operations of the Group. The Board believes that it was in the best interests of the Group to have Mr. Wang Hongfang taking up both roles for effective management and business development. In addition, the Group operations were also supervised and managed by the rest of the Board, comprising one other executive Director and three independent non-executive Directors, who provide balance of power and sufficient checks to protect interest of the Company and shareholders as a whole. Following retirement of Mr. Wang, Mr. Su Shigong and Ms. Yang Yuhua were appointed as chairman of the board and CEO of the Company respectively and the Company has been in compliance with the CG Code since then.

The CG Code stipulates that non-executive directors should be appointed for a specific term subject to re-election. Independent non-executive Directors are not appointed for a specific term. However, all Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the bye-laws of the Company.

Further details of the Company's corporate governance practices would be set out in the corporate governance report to be contained in the Company's annual report for the year ended 31 December 2024.

## COMPLIANCE WITH THE MODEL CODE BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**"), as amended from time to time, as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 December 2024.

## AUDIT COMMITTEE AND REVIEW ON THE FINAL RESULTS

The Company has established the Audit Committee with a specific written terms of reference in accordance with the requirements under Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee is responsible for, among others, reviewing and supervising the Group's financial reporting process, assisting the Board to ensure effective risk management and internal control systems of the Group and providing advice and comments to the Board.

As at 31 December 2024 and up to the date of this announcement, the Audit Committee comprised all three independent non-executive Directors, namely, Dr. Gao Bin, Mr. Leung Ting Yuk and Ms. Song Yanjie. Mr. Leung Ting Yuk is elected as the chairman of the Audit Committee.

The audited consolidated financial statements of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee together with the management and the external auditors of the Company. The Audit Committee is satisfied that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

## SCOPE OF WORK OF KTC PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Group's auditor, KTC Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by KTC Partners CPA Limited in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by KTC Partners CPA Limited on this announcement.

## PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.irasia.com/listco/hk/taiunited/index.html. The annual report of the Company for the year ended 31 December 2024 will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

By order of the Board
**Tai United Holdings Limited**
**Su Shigong**
*Chairman*

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*
Mr. Su Shigong *(Chairman)*
Ms. Yang Yuhua *(Chief Executive Officer)*

*Non-executive Director:*
Mr. Lu Yunsong

*Independent non-executive Directors:*
Dr. Gao Bin
Mr. Leung Ting Yuk
Ms. Song Yanjie

* *English translated name is for identification purpose only.*