百德國際有限公司
Pak Tak International Limited

(Incorporated in Bermuda with limited liability)
Stock Code: 2668






2024
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu *(Chief Executive Officer)*
Mr. Wang Jian *(Note1)*
Mr. Zhou Yijie

Non-executive Director

Mr. Liu Xiaowei

Independent Non-executive Directors

Ms. Chan Ching Yi
Mr. Chan Kin Sang *(Note2)*
Mr. Zheng Suijun
Ms. Li Yun *(Note 4)*

AUDIT COMMITTEE

Ms. Chan Ching Yi *(Chairman)*
Mr. Chan Kin Sang *(Note2)*
Mr. Zheng Suijun
Ms. Li Yun *(Note 4)*

NOMINATION COMMITTEE

Mr. Liao Nangang *(Chairman)*
Mr. Chan Kin Sang *(Note 2)*
Ms. Qian Pu
Mr. Zheng Suijun
Ms. Chan Ching Yi
Ms. Li Yun *(Note 4)*

REMUNERATION COMMITTEE

Mr. Chan Kin Sang *(Chairman)* *(Note 2)*
Mr. Zheng Suijun *(Chairman)* *(Note 3)*
Ms. Qian Pu
Ms. Chan Ching Yi
Ms. Li Yun *(Note 4)*

STRATEGIC COMMITTEE

Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu

INVESTMENT AND FUND RAISING COMMITTEE

Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu

COMPANY SECRETARY

Mr. Sze Kat Man

AUTHORISED REPRESENTATIVES

Ms. Qian Pu
Mr. Sze Kat Man

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20/F, One Continental
No. 232 Wan Chai Road
Wan Chai, Hong Kong

PRINCIPAL SHARE REGISTRAR & TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE
Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR
Baker Tilly Hong Kong Limited
Certified Public Accountants
Level 8, K11 ATELIER King's Road
728 King's Road
Quarry Bay, Hong Kong

HONG KONG LEGAL ADVISER
Chiu & Partners
40/F, Jardine House
1 Connaught Place
Central, Hong Kong

PRINCIPAL BANKERS
DBS Bank (Hong Kong) Limited
Hang Sang Bank Limited
China CITIC Bank International Limited

STOCK CODE
2668

WEBSITE
www.paktakintl.com

Notes:

1. Resigned as an executive Director on 31 March 2025.

2. Resigned as an independent non-executive Director; and ceased to be the chairman of remuneration committee of the Company (the "**Remuneration Committee**"), and member of each of audit committee (the "**Audit Committee**") and nomination committee (the "**Nomination Committee**") of the Company on 31 December 2024.

3. Acted to be the chairman of Remuneration Committee on 31 December 2024.

4. Appointed as an independent non-executive Director, and acted to be member of each of Audit Committee, Remuneration Committee and Nomination Committee on 7 April 2025.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Pak Tak International Limited (the "**Company**"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024.

Looking back at 2024, the global economic environment continued to be complex and volatile. Factors such as geopolitical conflicts, inflationary pressures and supply chain restructuring have brought multiple challenges to the economic recovery in China. Although the Chinese government has promoted stable economic growth through policies to expand domestic demand and infrastructure investment, the adjustment of the real estate market and the weakening of consumer sentiment still have a significant impact on some industries. Against this environment, the Group actively responded to market changes and demonstrated resilience in adversity through strategic adjustments and business integration.

For the year ended 31 December 2024, the performance of the supply chain business of the Company (the "**Supply Chain Business**") rebounded significantly this year, recording revenue of HKD575.9 million, an increase of 93.1% over 2023. The growth momentum mainly came from the recovery of demand in China's manufacturing and construction industries, and the Group's successful recovery of overdue receivables from previous years through strict credit control. In addition, the Group completed the acquisition of the iron ore mining business during the year, adding iron ore mining and milling business, achieving vertical integration of the supply chain and laying the foundation for future business diversification.

Despite the expansion of business scale, the Group has maintained prudent risk management, and the provision for expected credit losses on trade receivables has decreased by more than 90% compared with the corresponding year, reflecting the improvement in asset quality. The Group will focus on optimizing operational efficiency, deepening cooperation with strategic partners, and further consolidating its market position in the future.

Affected by the intensified industry competition and fluctuations in consumer demand, the hotel management and catering services (the "**Hotel Management & Catering Services**") segment's revenue was HKD96.2 million, a decrease of 20.8% compared with the corresponding year. The Group reduced the Hotel Management & Catering Services segment's loss to HKD1.1 million (2023: loss of HK$7.7 million) through cost optimization, menu innovation and customer experience improvement. The Group will continue to focus on operational efficiency, adapt to market changes and tap into potential growth opportunities.

For the year ended 31 December 2024, the Group recorded a total revenue increase by 59.7% to HKD674.8 million, mainly due to the recovery of the Supply Chain Business.

The Group recorded a net loss of HKD229.2 million for the year ended 31 December 2024 (2023: HKD202.2 million). The increase in loss was mainly due to the impairment of goodwill of HKD164.6 million arising from the acquisition of the iron ore mining business, which was partially offset by the reduction in fair value losses of investment properties and improved credit provisions.

LOOKING FORWARD

Looking ahead to 2025, we will focus on promoting three strategic directions: deepening industrial synergy, building a more competitive business system by integrating iron ore mining and milling business with the existing supply chain network; continuously optimizing the financial structure, reducing financing costs, and enhancing risk resistance; accelerating the pace of digital transformation, building an intelligent supply chain management system, and comprehensively improving operational efficiency.

Meanwhile, the management of the Group and I shall continue to lead the Group to move forward while taking the initiative to provide great support to all employees to overcome the difficult times in order to further create value for our shareholders, customers, and employees, and strive to bring better returns for all shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude and appreciation toward all our shareholders, our customers, suppliers and business partners for their supports, trust and confidence, and to the management and staff for their efforts and dedication.

Liao Nangang
Chairman
Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2024, the principal activities of the Group are: (i) supply chain business (included the iron ore mining and milling) (the "**Supply Chain Business**"), (ii) hotel management and catering services (the "**Hotel Management & Catering Services**") and (iii) property investment (the "**Property Investment**").

BUSINESS REVIEW

Supply Chain Business

For the year ended 31 December 2024, the performance of Supply Chain Business was improved, generating HKD575.9 million in revenue, a 93.1% increase compared to HKD298.3 million in 2023. This growth was primarily driven by recovering market conditions and a resurgence in consumption within the PRC, particularly in the manufacturing and construction sectors. The easing of supply chain difficulties contributed to higher demand for our services, enabling our customers in the supply chain sector to gradually recover and expand their operations.

During the year, the Group successfully recovered the outstanding receivables which were overdue since 2023. This achievement was facilitated by enhanced monitoring of customer payments and proactive arrangement with the customers to resolve overdue accounts. To further mitigate credit risks, the Group remains committed to regularly reviewing the recoverable amounts of trade receivables and closely monitoring collection efforts. As of 31 December 2024, expected credit losses on trade receivables decreased by over 90% compared to the prior year, reflecting a prudent approach of the Group to risk management.

During the year, the Group completed the acquisition of Zongchuan Investment Group as an extension of its Supply Chain Business. Through this acquisition, the Group will be able to vertically integrate Zongchuan Investment Group's iron ore and iron concentrate powder production and trading business. The existing metal trading business (including the distribution network) of the Group can thus be expanded to cover iron ore and iron concentrate powder, extending to a broader range of target customers.

The Group remains focused on optimising its supply chain operations, exploring new growth opportunities, and strengthening risk management to ensure sustainable growth in the future.

Hotel Management & Catering Services

The Hotel Management & Catering Services segment faced a challenging operating environment in 2024, reflecting the normalisation of market conditions after a recovery in 2023. For the year ended 31 December 2024, the segment generated HKD96.2 million in revenue, representing a decrease of 20.8% compared to the previous year. The segment loss was HK$1.1 million, an improvement of HKD6.6 million compared to the previous year. This improvement was partly offset by the impact of the fair value loss on investment property and the write-off of property, plant and equipment during the year.

In response to these challenges, the Group implemented timely adjustments through a cautious and adaptive strategy, enhancing cost efficiency and optimising operational management. These measures were critical in mitigating the impact of declining revenue and ensuring the segment's resilience in the competitive market.

Throughout the year, the Group continuously improve the quality of its products and services to enhance customer satisfaction and strengthen its competitive position. Initiatives included introducing innovative menu offerings and organising special events or functions to attract a broader customer base. These efforts helped to maintain the Group's reputation for quality and reliability, even in a challenging market environment.

The Group remains committed to steady growth and long-term value creation in the Hotel Management & Catering Services segment. While the operating environment is expected to remain challenging, the Group will continue to prioritise operational efficiency, customer-centricity, and strategic adaptations to market conditions.

Property Investment

The Group has the investment properties located in Yunfu, PRC which generated HKD2.6 million in rental income and recorded the revaluation loss of HKD9.1 million for the year ended 31 December 2024. The Group will continue leasing out these investment properties to generate rental income, and may consider divesting them to improve working capital if and when it is deemed appropriate.

FINANCIAL REVIEW

Below is an analysis of the Group's key financial information including but not limited to revenue, expenses and loss for the year, which reflects the financial position of the Group's business.

Revenue

For the year ended 31 December 2024, the Group recorded total revenue of HKD674.8 million, representing a 59.7% increase from HKD422.5 million in 2023. This growth was primarily attributable to the recovery performance in our Supply Chain Business, which generated revenue of HKD575.9 million, compared to HKD298.3 million in the previous year, reflecting the positive business performance and improved market conditions.

This growth was partially offset by the Hotel Management & Catering Services segment, which reported revenue of HKD96.2 million, a decrease of HKD25.3 million from HKD121.5 million in 2023, consistent with prevailing market trends in the hospitality sector.

Revenue from Property Investment and other business remained stable at HKD2.6 million, compared to HKD2.7 million in the prior year.

Other net losses

For the year ended 31 December 2024, the Group recorded other net losses of HKD3.0 million, compared to HKD25.0 million for the year ended 31 December 2023. The significant reduction was primarily due to the one-off loss on disposal of a property holding subsidiary of HKD24.0 million recognised in 2023.

Expenses

For the year ended 31 December 2024, the Group's direct costs and operating expenses increased significantly by HKD251.6 million to HKD640.8 million, compared to HKD389.2 million in 2023. This increase was primarily driven by the revenue growth in the Supply Chain Business, which accounted for over 85% of the Group's total revenue.

The Group recognised an impairment loss on goodwill of HKD164.6 million, which arose as the number of 950,000,000 consideration shares issued were valued at the Company's closing share price of HKD0.49 per share as of the acquisition date, exceeding the agreed price of HKD0.336 per share stipulated in the sale and purchase agreement. As a result, the goodwill recognised upon the acquisition of Zongchuan Investment Group was significantly higher than that expected at the date of the sale and purchase agreement thus resulted in the recognition of the impairment loss on the goodwill.

The Group's impairment losses under the expected credit loss model decreased significantly by HKD84.2 million, from HKD89.0 million for the year ended 31 December 2023 to a provision of HKD4.8 million for the year ended 31 December 2024. This reduction results from the adequacy of prior-year provisions, which minimised the need for additional allowances in the current period.

The Group's administrative expenses was increased from HKD43.6 million to HK$48.8 million, mainly attributable to professional fees incurred for the acquisition of Zongchuan Investment Group.

The Group's finance cost increased by HKD6.2 million from HKD25.1 million for the year ended 31 December 2023 to HKD31.3 million for the year ended 31 December 2024, mainly due to penalty charges associated with the default on bank borrowings from Hua Xia Bank.

Loss for the year

For the year ended 31 December 2024, the Group recorded a net loss of approximately HKD229.2 million as compared to a net loss of approximately HKD202.2 million for the year ended 31 December 2023. The increased loss was primarily driven by HKD164.6 million impairment loss on goodwill, which partially offset by a HKD40.9 million reduction in fair value losses on investment properties and a HKD84.2 million decrease in impairment losses under the expected credit loss model.

Property, plant and equipment

As of 31 December 2024, the Group's property, plant and equipment increased significantly to HKD591.6 million from HKD15.7 million for the year ended 31 December 2023, primarily due to the acquisition of Zongchuan Investment Group which contributed HKD581.5 million in such assets. The acquired assets mainly comprise mining structures of HKD295.8 million, property held for own use of HKD113.0 million, and plant and machinery of HKD97.6 million.

Investment properties

The Group's investment properties as of 31 December 2024 consisted of leased retail shops in Yunfu, PRC with a carrying value of HKD158.4 million (2023: HKD173.1 million) and a leased commercial building in Beihai City, Guangxi Province, PRC with a carrying value of HKD97.5 million (2023: HKD106.3 million). The Group recognised a fair value loss of HKD14.5 million (2023: HKD55.4 million) on these properties for the year, reflecting the ongoing market adjustments in PRC real estate sector.

Intangible assets

As of 31 December 2024, the Group's intangible assets increased significantly to HKD206.4 million (2023: HKD0.9 million), primarily attributable to the acquisition of Zongchuan Investment Group. This included mining rights of HKD205.8 million, representing a mining license for underground operations valid from year 2024 to year 2049.

Trade and other receivables

As at 31 December 2024, the Group's trade and other receivables amounted to HKD568.4 million (2023: HKD535.1 million), comprising trade receivables (net of ECL allowances) of HKD410.3 million (2023: HKD402.1 million) primarily from the Supply Chain Business, and other receivables of HKD98.0 million (2023: HKD78.5 million) primarily from supply chain financing arrangements. The trade and other receivables increase of HKD33.3 million was mainly due to the acquisition of Zongchuan Investment Group, which contributed HKD39.6 million to trade and other receivables.

Of the total trade receivables, HKD175.6 million (2023: HKD388.7 million) were past due within 12 months and HKD66.1 million (2023: HKD20.4 million) were past due beyond 12 months.

The Group maintains strict credit controls, with management actively monitoring receivable collections and market conditions while performing case-by-case recoverability assessments on overdue balances to mitigate credit risks.

Restricted cash

As at 31 December 2024, the Group held restricted cash of HKD7.0 million, primarily relating to deposits for rehabilitation obligations in the PRC in connection with acquisition of Zongchuan Investments.

Trade payables

As at 31 December 2024, the Group's trade payables significantly increased by HKD123.6 million from HKD70.9 million as at 31 December 2023 to HKD194.5 million. The increase was primarily due to the acquisition of Zongchuan Investment Group, with the payable balance mainly comprising the construction and mining costs related to iron ore mining and milling operations.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2024, the cash and cash equivalents of the Group were HKD21.7 million (2023: HKD85.4 million) and interest-bearing borrowings, including the borrowings and the lease liabilities were HKD759.4 million (2023: HKD381.6 million). The following table details the cash and cash equivalents, the borrowings and the lease liabilities of the Group as at 31 December 2024 denominated in original currencies:

	As 31 December 2024	
	HKD'000	**RMB'000**
Cash and cash equivalents	**2,429**	**18,200**
Borrowings	**1,000**	**701,525**
Lease liabilities	**2,832**	**11,166**

	As 31 December 2023	
	HKD'000	RMB'000
Cash and cash equivalents	52,656	29,836
Borrowings	–	335,074
Lease liabilities	–	13,012

The Group principally satisfies its demand for operating capital with cash inflow from its operations and borrowings. As at 31 December 2024, the gearing ratio, which is calculated on the basis of total debts (including interest-bearing borrowings and lease liabilities) over total shareholders' fund of the Group, was 127.9% (2023: 103.9%), while the liquidity ratio, which represents a ratio of current assets over current liabilities, to reflect the adequacy of the financial resources, was 0.75 (2023: 1.25), which due to the higher trade payables and short-term borrowings associated with the acquisition.

DISCLAIMER OF OPINION

As disclosed in the "Disclaimer of Opinion" section of the Independent Auditor's Report as set out on pages 44 to 45 of this report, Baker Tilly Hong Kong Limited ("**BTHK**"), the Auditor of the Company (the "**Auditor**"), does not express an opinion on the consolidated financial statements of the Group, because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of the Independent Auditor's Report, the Auditor is unable to form an opinion as to whether the going concern basis of preparation of the consolidated financial statements of the Group is appropriate.

Basis for Disclaimer of Opinion

As set out in Note 2(b) to the consolidated financial statements, during the year ended 31 December 2024, the Group recorded a net loss of approximately HKD229,199,000 and as at 31 December 2024, the Group's current liabilities exceeds current assets by approximately HKD216,047,000. As at 31 December 2024, the total principal of the Group's borrowings, amounting to approximately HKD490,321,000, along with aggregate compound and default interest payables of HKD45,176,000, are due within one year or are repayable on demand. These borrowings exceed the Group's cash and cash equivalents of approximately HKD21,723,000 as at 31 December 2024.

In view of these circumstances, the Directors have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company have prepared the Group's cash flow projections which cover a period of fifteen months from the end of the reporting period up to 31 March 2026, and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and meet its financial obligations as they fall due within the next twelve months from the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Details of the Disclaimer of Opinion and the relevant plans and measures proposed by the Directors are disclosed in the Independent Auditor's Report set out on pages 44 to 45 of this report.

Additional Information in relation to the Disclaimer of Opinion

1. *Management's Position and View*

   The management of the Company (the "**Management**") has assessed the Group's liquidity, financial position, and funding sources to evaluate its ability to continue as a going concern. To address liquidity pressures and strengthen financial stability, the following plans and measures have been implemented:

   (i) The Group has been actively negotiating with the relevant banks for reaching an agreement on withdrawing the civil ruling, not demanding immediate repayment of existing bank borrowings due to the defaults and revising the repayment terms to allow for instalments over an extended period over three years;

   (ii) The substantial shareholder of the Company has agreed in writing to provide sufficient fundings to the Group by way of a shareholder's loan with the payment schedule or to be mutually agreed based on the Company's actual repayment obligations, to finance the full repayment of the principal amount, related compound interests and default interests (the "**Outstanding Amounts**");

   (iii) The Group has been actively implemented measures to speed up the collection of substantial payments from customers;

   (iv) The Group has developed a plan to obtain additional banking facilities by pledging certain of the Group's commercial properties; and

   (v) The Group acquired a new business segment in iron ore mining and milling to enhance the Group's profitability and cash inflows.

   The Disclaimer of Opinion was primarily attributable to temporary limitations in audit evidences regarding (i) the pending written approval of the bank loan extensions, including supplemental loan agreement, and (ii) the successful execution of the shareholder's loan agreement, including the fund injection to the Group. The Management confirms there are no material disagreements with the Auditor regarding the application of the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2024 ("**Financial Statements**").

Based on the progress of these measures as outlined in section (3) below, the Management reasonably expects the Group will maintain sufficient working capital to meet its operational needs and financial obligations for the foreseeable future. Accordingly, the Financial Statements were prepared on a going concern basis.

2. *Audit Committee's View*

The Audit Committee had reviewed the circumstances underlying the Disclaimer of Opinion concerning the going concern assumption. Following the discussion with both the Auditor and the Management, the Audit Committee concluded that the Disclaimer of Opinion primarily resulted from the limitations in audit evidences available to support the going concern assessment, with no material disagreements between the Auditor and the Management regarding the accounting treatments. Based on

(i) the Management's plans and measures to address the Disclaimer of Opinion, which the Audit Committee considers as an appropriate framework to address loan repayment defaults, secure necessary financing, and enhance cash flow stability; and

(ii) its review of the cash flow projections of the Group prepared by the Board which cover a period of not less than 12 months from 31 December 2024, the Audit Committee agreed with the management's position and basis including matters involving the management's substantial judgments.

3. *Company's action plan to address the unresolved going concern issue*

The Group's plans and measures to resolve the going concern issue are as follows:

(i) The Group has been actively negotiating with the relevant banks for reaching an agreement on withdrawing the civil ruling, not demanding immediate repayment of existing bank borrowings due to the defaults and revising the repayment terms to allow for instalments over an extended period over three years;

Up to the date of this report, Bank Loan 3 with principal amount of RMB22,567,000 has been restructured through a debt assignment agreement between the original lender and the Assignee. For Bank Loan 2 under Hua Xia Bank with principal amount of RMB279,000,000, the Management and Hua Xia Bank have reached a preliminary understanding on extension terms. The final written approval and/or the supplemental loan agreement expected to be concluded in the coming months and subject to the final negotiation.

(ii) The substantial shareholder of the Company has agreed in writing to provide sufficient fundings to the Group by way of a shareholder's loan with the payment schedule or to be mutually agreed based on the Company's actual repayment obligations, to finance the full repayment of the Outstanding Amounts;

Tengyue Holding Limited, has confirmed in writing, agreed to provide sufficient funding for settling the financial guarantee under the Company in relation to Bank Loan 2 with principal amount of RMB279,000,000 and any interest and compound interest through a shareholder loan. The payment schedule will be mutually determined based on the Company's actual repayment obligations.

(iii) The Group has been actively implemented measures to speed up the collection of substantial payments from customers;

The Group's had successfully recovered the outstanding receivables amounting to over RMB300,000,000 in 2024, which helps ensure sufficient working capital through improved cash inflows for daily operations.

(iv) The Group has developed a plan to obtain additional banking facilities by pledging certain of the Group's commercial properties; and

The Group is currently evaluating the financing options through asset pledging, with implementation timing to be aligned with liquidity requirements.

(v) The Group acquired a new business segment in iron ore mining and milling to enhance the Group's profitability and cash inflows.

The new segment is anticipated to contribute not less than RMB100,000,000 to cash generation and overall liquidity. The Management is closely observing its operational and financial performance.

Provided that the plans and measures set out above can be executed successfully in the year ending 31 December 2025 to mitigate the Group's liquidity pressure and improve its financial position, the management of the Company understands that the material uncertainties casting doubt on the Group's ability to continue as a going concern can be eliminated, and accordingly expects that the Disclaimer of Opinion will be removed in the auditors' report for the year ending 31 December 2025.

The Company has implemented its prior year's action plan, making progress on bank loan restructuring and substantial shareholder support, though final documentation remains pending due to extended negotiations and procedural requirements. The Company continues working to complete these actions and resolve the going concern matters.

4. *View of the Board on the effectiveness of the Company's action plan*

The Board noted that the Group is in the progress of implementing plans and measures to settle the issues arising from default on loan repayment, secure the necessary financing and enhance its cash flow position. The Board is of the view that such plans and measures, if implemented successfully, will effectively mitigate the Group's liquidity pressure and improve its financial position and thereby resolve the audit issues underlying the Disclaimer of Opinion.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities (2023: nil).

FOREIGN EXCHANGE AND INTEREST RATE RISKS MANAGEMENT

The Group adopts strict and cautious policies in managing its exchange rate risk and interest rate risk. The principal foreign currency exchange risk stems from the exchange rate movements of the Hong Kong dollar, which is pegged to the United States dollars, and Renminbi. The sales of the Group and purchases of raw materials are mainly denominated in Renminbi. While the Group's operations in the PRC, the location of its production, are primarily conducted in Renminbi, its Hong Kong operations are conducted in Hong Kong dollars. The management will closely monitor such risk and will consider hedging significant foreign currency exposure should the need arise.

The interest rate risk arises from borrowings, which, being obtained at variable rates and at fixed rates, expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through a variety of means.

PLEDGES ON GROUP ASSETS

As at 31 December 2024, certain investment properties of the Group with an aggregate carrying amount of approximately HKD178.5 million (2023: HKD194.9 million) and mining rights of the Group with carrying amount of approximately HKD205.8 million (2023: nil) were pledged to banks for loans granted to the Group.

FINANCIAL GUARANTEES PROVIDED

The Company had issued corporate guarantees amounting to HKD296 million (2023: HKD306 million) to banks in connection with facilities granted to certain subsidiaries within the Group.

During the year ended 31 December 2024, there is a claim made against the Company and its certain subsidiaries due to the breach of loan agreements which was secured by corporate guarantee executed by the Company. The maximum liability of the Company at the end of the reporting period under the guarantees issued was the facilities drawn down by subsidiaries of HKD296 million (2023: HKD306 million).

CAPITAL EXPENDITURES AND COMMITMENTS

During the year ended 31 December 2024, the Group invested HKD3.1 million (2023: HKD1.3 million) on property, plant and equipment, which included leasehold improvements, furniture, fixtures and equipment and motor vehicles. As at 31 December 2024 and 2023, the Group had no capital commitments.

SIGNIFICANT INVESTMENTS HELD

There were no significant investments held by the Group for the year ended 31 December 2024.

INVESTMENT PROPERTIES HELD

Location	Usage	Tenure	Attributable interest of the Group
City Plaza No. 1 Yunxiang Avenue, Xijang New District, Yunfu, Guangdong Province, the PRC	The investment property comprises 141 retailing shops for rental and/or capital appreciation	Granted the land use rights of the property until 29 October 2053	100%
Lizhu Building No. 11 Changqing Road, Haicheng District, Beihai City, Guangxi Province, the PRC	The investment property comprises 14-storey (with a basement) commercial building for rental and/or capital appreciation	Granted the land use rights of the property until 25 September 2042	100%

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Major Transaction Acquisition of Target Company Involving Issue of Consideration Shares Under Specific Mandate

On 29 February 2024, the Company, Zongchuan Investment Holding Co., Limited (宗傳投資控股有限公司) (the "**Vendor**") and Zongchuan Investment Group Co., Limited (宗傳投資集團有限公司) (the "**Zongchuan Investment Group**") entered into an agreement, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the sale interest (representing the entire issued share capital of the Target Company) in accordance with the terms and conditions of the agreement (the "**Acquisition**"). The Acquisition and transactions contemplated thereunder are subject to the approval by the shareholders of the Company approving the Acquisition at a special general meeting of the Company and the satisfaction of the conditions precedent. The above major transaction had been approved as the ordinary resolution by the shareholders of the Company at the special general meetings of the Company on 19 July 2024.

On 31 December 2024, the Group completed the Acquisition of 100% equity interest in Zongchuan Investment Group for the consideration of an aggregate sum of RMB289,860,000 by way of the issue of 950,000,000 consideration Shares at the issue price of HK$0.336 per consideration Share by the Company to the Vendor. Thereafter, Zongchuan Investment Group has become a wholly-owned subsidiary of the Company, and its consolidated financial statements were consolidated into the consolidated financial statements of the Company.

Save as disclosed above, there was no material acquisitions and disposals of subsidiaries and associated companies by the Group during the year ended 31 December 2024.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of approximately 600 employees (2023: approximately 300 employees). Employees' remuneration and bonuses are based on their responsibilities, performances, experience and the prevailing industry practice. The Group's remuneration policies and packages were reviewed periodically by the management of the Company. The Group provides relevant training to its employees in accordance with the skills requirements of different positions.

DIVIDENDS

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

EVENTS AFTER THE REPORTING PERIOD

The Company does not have any significant events after the reporting period.

MINING OPERATION

The acquisition of Zongchuan Investment Group was completed on 31 December 2024, at the end of the reporting period. As such, no exploration activities, development activities and mining production were conducted and no operational expenditures were incurred under the Company's ownership during the reporting period.

RESOURCES AND RESERVES

The Luobokan Iron Ore Project (the "**Project**"), located in Dongzhou District, Fushun, Liaoning Province, China, approximately 55 km east of the city centre of Shenyang. The operation transitioned from open-pit to underground mining in year 2022. The mining license valid from January 2024 and July 2049 and covers a mining area of 0.94 square kilometers, with a maximum capacity of 2.9 million tonnes per year.

The results of the iron ore reserves and resources in this report are calculated by deducting the consumption amount from 1 March 2024 to 31 December 2024 from the estimated amount of iron ore reserves and resources stated in the competent person's report dated 28 June 2024 prepared by Roma Oil and Mining Associates Limited, the mineral resource estimate for exploration target under the JORC Code (2012) Mineral Resource are as follows:

The Project's iron ore resource statement as at 31 December 2024:

Resource Category	Million Tonnes	mFe %
Indicated	34.3	18.23
Inferred	31.8	15.53
Total	66.1	16.95

The Project's exploration target as at 31 December 2024:

	Million Tonnes	mFe %
Exploration Target	50 to 100	12 to 17

Notes:

(i) There was no material changes in these estimates since the competent person's report dated 28 June 2024.

(ii) The potential quantity and grade of an exploration target is conceptual in nature so the tonnes and grade are expressed as ranges as there has been insufficient exploration to estimate a Mineral Resource. Furthermore it is uncertain if further exploration will result in the estimation of a mineral resource.

FUTURE PROSPECT

Looking ahead to 2025, the macroeconomic environment is expected to remain complicated, challenging, and uncertain, with the global economic recovery facing multiple obstacles such as geopolitical conflicts, inflationary pressures, and the restructuring of supply chains. The Group will remain cautiously optimistic about its future prospects and is committed to responding the evolving market conditions with agility and strategic foresight.

For the Supply Chain Business, the Group will focus on strengthening its market position and diversifying its revenue streams. After the completion of the acquisition of iron mining and milling business, it represents a strategic move to enhance the Group's capabilities and achieve vertical integration and thereby gain a competitive advantage in terms of scale and operational synergies. By expanding its product offerings, the Group anticipates to achieve both business and market diversification, positioning itself to benefit from future economic opportunities within the industry.

The Group is committed to the continuous advancement of its Hotel Management and Catering Services Business. Despite the challenging operating environment, the Group will focus on improving operational efficiency, enhancing customer satisfaction, and exploring innovative ways to attract a broader customer base. By maintaining a customer-centric approach and adapting to market conditions, the Group aims to solidify its position in the hospitality sector and drive sustainable growth.

In addition, the Group has been actively negotiating with Hua Xia Bank for the renewal and extension of repayments for overdue bank borrowings, as well as the extension of loan agreements. These efforts are aimed at ensuring financial stability and providing the Group with the flexibility to pursue its strategic initiatives.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

The Directors and senior management at the date of this annual report are as follows:

EXECUTIVE DIRECTORS

Mr. Liao Nangang, aged 55, was appointed as Chairman and Executive Director of the Company on 1 April 2021, and the Chairman of each of the Nomination Committee, the Strategic Committee, and the Investment and Fund Raising Committee of the Company.

Mr. Liao graduated from East China University of Political Science and Law with a bachelor degree in international economic law in 1992. Mr. Liao is qualified as a lawyer in the People's Republic of China in 2001 and he has over 21 years of experience in the legal and investment sector.

Currently, Mr. Liao is also the sole shareholder and director of 深圳前海衡同資產管理有限公司 (Shenzhen Qianhai Hengtong Asset Management Co., Ltd.). He is also the ultimate beneficial owner of Tengyue Holding Limited ("**Tengyue Holding**") and Beyond Glory Holdings Limited ("**Beyond Glory**"), respectively. He is an independent director of Gemdale Corporation (stock code: 600383), which is listed on the Shanghai Stock Exchange.

Mr. Liao was the independent director of Maoye Commercial Co., Ltd. (stock code: 600828), which is listed on the Shanghai Stock Exchange, from 1 September 2016 to 12 December 2022. In addition, he was the independent director of each of Shenzhen Nanshan Power Co., Ltd. (stock code: 000037) and ZJBC Information Technology Co., Ltd (formerly known Maoye Communication and Network Co., Ltd.) (stock code: 000889), which are respectively listed on the Shenzhen Stock Exchange. He also served as a partner of the law firms.

Pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**"), as at the date of this report, 980,000,000 shares of the Company are held by Tengyue Holding, which is wholly-owned by Beyond Glory. As Beyond Glory is wholly-owned by Mr. Liao, he is deemed to be interested in these shares by virtue of SFO, representing 17.41% of the issued share capital of the Company, and is a substantial shareholder of the Company.

Ms. Qian Pu, aged 35, was appointed as Executive Director of the Company on 8 September 2016 and subsequently appointed as Chief Executive Officer of the Company on 1 April 2021. She is a member of each of the Nomination Committee, the Remuneration Committee, the Strategic Committee, and the Investment and Fund Raising Committee; and one of the authorised representatives of the Company. She also holds directorships in certain subsidiaries of the Company.

Ms. Qian graduated from Huazhong University of Science and Technology, the PRC with a bachelor's degree in Arts and Wuhan University of Science and Technology, PRC with a bachelor's degree in Engineering respectively in 2012. She also obtained a master's degree course in financial management from University of Alberta, Canada in 2020. She has over 11 years of managerial experience in finance investment.

Mr. Wang Jian, aged 54, was appointed as Executive Director of the Company on 23 August 2016. And subsequently to March 2021, he acted as Chairman and Chief Executive Officer of the Company, and the Chairman of each of the Strategic Committee and the Investment and Fund Raising Committee of the Company.

Mr. Wang has about 19 years of managerial experience in the construction and engineering industry. He was a legal representative for over 10 years of a company incorporated in the PRC that specialize in the construction engineering industry. Currently, Mr. Wang is also the director and shareholder of Massive Thriving Limited.

Mr. Zhou Yijie, aged 29, was appointed as Executive Director of the Company on 1 February 2024.

Mr. Zhou obtained a bachelor's degree in law from University of International Business and Economics in the PRC in 2017 and also a master's degree in corporate and financial law from The University of Hong Kong in 2021. Mr. Zhou has 6 years of experience in the finance and legal sectors in the PRC. He was employed in CITIC Securities Company Limited in 2017 and King & Wood Mallesons (Shenzhen) in 2022, respectively.

NON-EXECUTIVE DIRECTOR

Mr. Liu Xiaowei, aged 47, was appointed as Non-executive Director of the Company on 2 July 2021.

Mr. Liu obtained a self-study undergraduate certificate (Adult Higher Education) in Chinese Language and Literature from South China Normal University in 2005 and he also obtained a self-study undergraduate certificate (Adult Higher Education) in Law from Sun Yat-sen University in 2014. Mr. Liu is qualified as a lawyer in the PRC in 2011 and he also has more than 14 years of experience in the legal sector.

Currently, Mr. Liu is a practising lawyer of 廣東港聯律師事務所 (Guangdong Ganglian Law Firm). Prior to joining the Group, Mr. Liu served as legal counsel to a number of listed companies in PRC, involving initial public offerings (IPO) and mergers and acquisitions projects.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Chan Ching Yi, aged 50, was appointed as Independent Non-executive Director of the Company on 16 December 2022. She is the chairman of the Audit Committee; and the member of the Nomination Committee and Remuneration Committee.

Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Chan has obtained a bachelor's degree in accountancy from City University of Hong Kong and has accumulated more than 21 years of financial and auditing experience.

Currently, Ms. Chan is the company secretary of Xinjiang Tianye Water Saving Irrigation System Company Limited (stock code: 840), which is listed on the Main Board of the Stock Exchange.

Mr. Zheng Suijun, aged 62, was appointed as Independent Non-executive Director of the Company on 31 August 2016. He is the chairman of the Remuneration Committee of the Company on 31 December 2024, and he is also a member of each of the Audit Committee and the Nomination Committee of the Company.

Mr. Zheng has more than 19 years of managerial experience in taxation advisory business. Currently, Mr. Zheng is the chairman of the board of directors of Shenzhen Jinnuo Tax Agency Co., Ltd. since 2004.

SENIOR MANAGEMENT

Mr. Lyu Zhenjun, aged 51, joined the Group in July 2024 as Deputy Administrative Manager of the Group, and he holds directorships in certain subsidiaries of the Company. He is primarily responsible for the management and daily operations of the Company. Mr. Lyu graduated from Nanjing University of Science and Technology with a bachelor's degree in Public Affairs Management in 1995. He has approximately 30 years of experience in the public management, human and administrative management sectors.

Mr. Sze Kat Man, aged 38, joined the Group in October 2014 as the Financial Controller of the Group and was appointed as company secretary (the "**Company Secretary**") and authorised representative of the Company on 16 April 2017. He also holds directorships in certain subsidiaries of the Company. He is currently responsible for the overall financial management and company secretarial matters of the Group. Mr. Sze graduated from City University of Hong Kong with an Associate of Business Administration in Accountancy and is a member of the HKICPA. He has over 16 years of experience in professional audit and accounting fields.

The Directors are pleased to present their report and the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the Supply Chain Business, Hotel Management & Catering Services. The principal activities and other particulars of the Company's subsidiaries are set out in note 39 to the consolidated financial statements.

SEGMENT INFORMATION

Details of the segment information of the Group for the year ended 31 December 2024 by segments are set out in note 10 to the consolidated financial statements.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 134 of this annual report.

BUSINESS REVIEW

Details of the Group's business review and business prospects during the year are set out in the section headed "Management Discussion and Analysis" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statements of profit or loss and other comprehensive income on pages 47 and 48 of this annual report.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (31 December 2023: Nil).

RESERVES

Details of the movements in the reserves of the Group during the year ended 31 December 2024 are set out in the consolidated statement of changes in equity on page 51 of this annual report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2024, calculated under the Companies Act 1981 of Bermuda (the "**Companies Act**"), amounted to HKD692,250,000 (2023: HKD404,129,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations and business would be affected by numerous risks and uncertainties including credit risk, liquidity risk, interest rate risk, currency risk and equity price risk. The Group's financial risk management is shown in Note 34 to the consolidated financial statements.

SHARE CAPITAL

As at 31 December 2024, the issued share capital of the Company was 5,630,000,000 ordinary shares of HKD0.02 each (the "**Share(s)**"). During the year, the Company issued 950,000,000 Shares by way of share allotment for the acquisition of Zhongchuan Investment and its subsidiaries.

Movements in the share capital of the Company during the year are set out in note 30(c) to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws (the "**Bye-laws**") or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

CHARITABLE DONATIONS

During the year, the Group has not made any charitable donations (2023: Nil).

BORROWINGS

As at 31 December 2024, the Group had borrowings of approximately HKD744.7 million (2023: HKD367.3 million).

PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2024, the Group acquired property, plant and equipment at a cost of approximately HKD3.1 million for the purpose of expanding the Group's business (2023: HKD1.3 million).

Details of these and other movements during the year in the property, plant and equipment of the Group are set out in note 11 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the five largest customers of the Group together accounted for 64.6% of the Group's total revenue, with the largest customer accounting for 31.1% of the Group's total turnover. The aggregate purchases attributable to the Group's five largest suppliers was 69.4% of the total purchase of the Group for the year ended 31 December 2024, and the largest supplier accounted for 51.4% of the Group's total purchases.

During the year under review, none of the Directors or any of their close associates or any shareholder of the Company, which to the best knowledge of the Directors, own more than 5% of the Company's issued share capital, had any beneficial interests in the Group's five largest customers and suppliers mentioned above.

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered into during the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

RELATED PARTY TRANSACTION

The Group entered into certain related party transactions as disclosed in note 37 to the consolidated financial statements during the year. During the year ended 31 December 2024, none of the related party transactions constitute a connected transaction or continuing connected transaction under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

DIRECTORS

The Directors during the year ended 31 December 2024 and up to the date of this report were:

Executive Directors

Mr. Liao Nangang *(Chairman)*
Mr. Qian Pu *(Chief Executive Officer)*
Mr. Wang Jian *(Resigned on 31 March 2025)*
Mr. Zhou Yijie

Non-Executive Directors

Mr. Liu Xiaowei

Independent Non-Executive Directors

Ms. Chan Ching Yi
Mr. Chan Kin Sang *(resigned on 31 December 2024)*
Mr. Zheng Suijun

Mr. Wang Jian resigned on 31 March 2025 as an executive director of the Company. Mr. Wang Jian has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

In accordance with the Bye-laws, Ms. Qian Pu and Mr. Zheng Suijun will retire as Director by rotation at the forthcoming annual general meeting of the Company (the "**2025 AGM**"), being eligible, offer themselves for re-election.

Ms. Qian Pu had informed the Board that she will not seek re-election due to her decision to devote more time to her other working commitments with the Group. Mr. Zheng Suijun, being eligible, had offered himself for re-election at the 2025 AGM.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors as independent.

The biographical details of Directors are set out in the section headed "Directors and Senior Management Profile" of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each executive Director has entered into a continuous service contract with the Company. All non-executive Directors (including independent non-executive Directors) are appointed for an initial term of one year or three years. All the Directors are subject to retirement in accordance with the Listing Rules and the Bye-laws.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Directors nor a connected entity of Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which any of the Company, its controlling shareholder or any of its subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

COMPETING INTERESTS

None of the Directors is interested in any business (apart from the business of the Company or its subsidiaries) which competes, either directly or indirectly, with the principal business of the Company or its subsidiaries during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules were as follow:

	Number of Shares held				
Name of Director	Personal Interests (Held as beneficial owner)	Corporate Interests (Interests of controlled corporation)	Other Interests	Total (Note 1)	Approximate % of the Issued Share Capital (Note 2)
Mr. Liao Nangang (Note 3)	–	980,000,000	–	980,000,000	17.41%

Notes:

1. All interests disclosed above represent long positions in the Shares/underlying Shares of the Company.

2. The percentage was calculated based on the total number of Shares of the Company as at 31 December 2024, which was 5,630,000,000.

3. These 980,000,000 Shares are owned by Tengyue Holding, which is wholly-owned by Beyond Glory. In addition, Beyond Glory is wholly-owned by Mr. Liao. Accordingly, Beyond Glory and Mr. Liao are deemed to be interested in all the Shares held by Tengyue Holding by virtue of SFO.

Save as disclosed above, as at 31 December 2024, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than as disclosed in the sections headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures" above, at no time during the year ended 31 December 2024 was the Company, or any of its holding companies or fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors or their connected entities to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as is known to the Directors and chief executive of the Company, other than the interests of the Directors and chief executive of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange were as follow:

	Number of Shares held				
Name of Shareholders	Personal Interests (Held as beneficial owner)	Corporate Interests (Interests of controlled corporation)	Other Interests	Total (Note 1)	Approximate % of the Issued Share Capital (Note 2)
Tengyue Holding (Note 3)	980,000,000	–	–	980,000,000	17.41%
Beyond Glory (Note 3)	–	980,000,000	–	980,000,000	17.41%
Zongchuan Investment Holding Limited ("**Zongchuan Investment Holding**") (Note 4)	950,000,000	–	–	950,000,000	16.87%
Wu Qi (Note 4)	–	950,000,000	–	950,000,000	16.87%
Huayang Investment Group Co., Limited ("**Huayang Investment**") (Note 5)	112,640,000	–	–	112,640,000	2.00%
Guoxin Investment Group Co., Limited ("**Guoxin Investment**") (Note 5)	59,200,000	–	–	59,200,000	1.05%
Ms. Gu Jia ("**Ms. Gu**") (Note 5)	165,140,000	–	–	165,140,000	2.93%
Mr. Gu Zhenggao ("**Mr. Gu**") (Note 5)	9,210,000	171,840,000	165,140,000	346,190,000	6.15%

Notes:

1. All interests disclosed above represent long positions in the Shares/underlying Shares of the Company.

2. The percentage was calculated based on the total number of Shares of the Company as at 31 December 2024, which was 5,630,000,000.

3. These 980,000,000 Shares are owned by Tengyue Holding which is wholly-owned by Beyond Glory. In addition, Beyond Glory is wholly-owned by Mr. Liao. Accordingly, Beyond Glory and Mr. Liao are deemed to be interested in all the Shares held by Tengyue Holding by virtue of the SFO.

4. These 950,000,000 Shares are owned by Zongchuan Investment Holding which is wholly-owned by Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in all the Shares held by Zongchuan Investment Holding by virtue of the SFO.

5. These 112,640,000 and 59,200,000 Shares are respectively owned by Huayang Investment and Guoxin Investment, which are wholly-owned by Mr. Gu. In addition, these 165,140,000 Shares are owned by Ms. Gu, who is the spouse of Mr. Gu. Accordingly, Mr. Gu is deemed to be interested in all the Shares held by Huayang Investment, Guoxin Investment and Ms. Gu by virtue of SFO

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any other person or corporation (other Directors or chief executive of the Company) as being interested or deemed to have interests or short positions in Shares or underlying Shares of the Company which would fall to be disclosed to the Company or the Stock Exchange under Part XV of the SFO.

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Director(s) of the Company since the date of the 2024 interim report of the Company and up to the date of this annual report are set out below:

Name of Directors	Details of Changes	
Mr. Chan Kin Sang	–	Resigned as an independent non-executive Director, and ceased to be the chairman of Remuneration Committee, the member of each of Audit Committee and Nomination Committee on 31 December 2024.
Mr. Zheng Suijun	–	Appointed as the chairman of Remuneration Committee on 31 December 2024.

Save as disclosed, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DISCLOSURE REQUIREMENTS UNDER RULES 13.19 AND 13.21 OF THE LISTING RULES

References are made to the announcements of the Company dated 19 December 2023 and 8 November 2024, respectively.

On 15 August 2022, 華夏銀行股份有限公司深圳分行 (Shenzhen Branch of Hua Xia Bank Co., Limited)* (the "**Bank**") as lender and 深圳金勝供應鏈有限公司 (Shenzhen Jinsheng Supply Chain Company Limited)* ("**Shenzhen Jinsheng**"), an indirect wholly-owned subsidiary of the Company, as borrower entered into a facility agreement, under which the Bank made available to Shenzhen Jinsheng a loan facility of an aggregate maximum amount of RMB279.0 million (the "**Facility**"). Pursuant to the working capital loan agreements entered into between the Bank and Shenzhen Jinsheng on the same date (the "**Loan Agreements**"), the Facility was fully utilised and loans of an aggregate principal amount of RMB279.0 million were made by the Bank to Shenzhen Jinsheng under the Facility (the "**Loans**"). The Loans were secured by guarantees given by the Company, certain of its subsidiaries and an independent third party and properties owned by an independent third party.

Shenzhen Jinsheng has been in default of interest payments under the Loan Agreements, which constitutes an event of default under the Loan Agreements (the "**Default**"). The Default resulted in the Bank to declare the Loans immediate due and repayment. The total amount of principal, interests and compound interests outstanding under the Loan Agreements is approximately RMB294.3 million. The Bank has not granted any waiver in respect of the Default and has demanded immediate repayment of the outstanding amounts under the Loan Agreements.

On 13 October 2024, the Group recently received a written civil ruling (the "**Civil Ruling**") issued by the Intermediate People's Court of Shenzhen, Guangdong (廣東省深圳市中級人民法院) (the "**Court**") in connection with the legal proceedings instituted by the Bank to recover the outstanding amounts under the Loan Agreements (the "**Legal Proceedings**"). Pursuant to the Civil Ruling, Shenzhen Jinsheng shall repay the principal of the Loans in the aggregate amount of RMB279.0 million, and pay to the Bank loan interests of approximately RMB7.8 million and corresponding default interests and compound interests in connection with the Default. Further, the Company and certain of its subsidiaries, as guarantors, shall undertake joint and several guarantee liabilities in connection with the indebtedness of Shenzhen Jinsheng under the Loan Agreements. In addition, Shenzhen Jinsheng and its guarantors (including the Company and certain of its subsidiaries) have been ordered to pay to the Court handling fee and preservation order application fee totalling approximately RMB1.5 million in connection with the Legal Proceedings.

As provided in the Civil Ruling, the parties to the Legal Proceedings are entitled to appeal within the prescribed time limit after the Civil Ruling has actually been served on them. The Group has been seeking legal advice from its PRC legal advisers in respect of the Civil Ruling, including, among others, lodging an appeal disputing the quantum of loan interests payable by Shenzhen Jinsheng under the Loan Agreements.

As at 31 December 2024, the management of the Group continued to work towards an amicable settlement with the Bank of the issues resulting from the Default. As at the date of this report, negotiations between the Bank and the Group for renewal of the Loans and extension of the deadline for repayment of the overdue amounts under the Loan Agreements remain in progress.

Details of the Loan Agreements are set out in notes 26 to the consolidated financial statements of this annual report.

CLOSURE OF REGISTER OF MEMBERS

The 2025 AGM is scheduled to be held on Friday, 20 June 2025. The register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer of share(s) accompanied by the relevant share certificate(s), must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the knowledge of the Directors, the Company maintained a sufficient public float with at least 25% of the issued Shares of the Company as required under the Listing Rules throughout the year ended 31 December 2024 and up to the date of this report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties in their offices.

Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2024, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

CORPORATE GOVERNANCE

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**CG Code**") throughout the year under review, with the exception of a few deviations. The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of maintaining high corporate governance standards.

Detailed information on the Company's corporate governance principles and practices are set out in the section headed "Corporate Governance Report" of this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to better protecting the environment by encouraging its employees to reduce consumption of electricity and paper, reduce waste, and use environmental friendly products whenever possible. Further discussions on the environmental policies and performance of the Group, and our relationships with key stakeholders are contained in a separate Environmental, Social and Governance Report, which will be available for inspection on the websites of the Stock Exchange and the Company on the same publication date of this report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2024 have been audited by BTHK, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On Behalf of the Board

Liao Nangang
Chairman
Hong Kong, 28 March 2025

The Company's corporate governance structure mirrors the provisions of the CG Code as set out in Appendix C1 of the Listing Rules. The Company ascribes to good governance and transparency with a view that through these business ethics, shareholders and other stakeholders are assured of a solid and credible business framework. The Company recognises the need to adapt and improve business practices in the light of the evolving business environment, investor expectations and regulatory requirements. The Board is tasked to review the corporate governance structure of the Company and effect changes whenever necessary. It views the need for transparency in practices and policies and making informed decisions as fundamental.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company has applied the principles of, and complied with, the applicable code provisions of the CG Code, except for the following deviations:

– Under code provision F.2.2, the chairman of the board should attend the annual general meeting. Mr. Liao Nangang, being the chairman of the Board was unable to attend the annual general meeting on 21 June 2024 (the"**2024 AGM**") due to other business arrangements. Mr. Liao will endeavour to attend all future annual general meetings of the Company unless unexpected or special circumstances prevent him from doing so. Mr. Liao had entrusted Ms. Qian Pu, being the executive Director, to respond to shareholders' concerns (if any) on his behalf at the 2024 AGM.

– Pursuant to Rule 3.10(1) and 3.10A of the Listing Rules, the board of a listed issuer must include at least three independent non-executive directors ("**INED(s)**") and these INEDs must represent at least one-third of the board, and pursuant to Rule 3.21 of the Listing Rules, the audit committee of a listed issuer must comprise a minimum of three members and the majority of the audit committee members must be INEDs. Following the resignation of Mr. Chan Kin Sang on 31 December 2024, the number of INEDs and the composition of the Audit committee have failed to meet the relevant requirements under the Listing Rules. In order to comply with the Listing Rules and the terms of reference of the Audit Committee, the Board is in the process of identifying suitable candidate(s) to fill the vacancy of the positions of INED and the member of the Audit Committee, and will use its best endeavours to ensure that the suitable candidate(s) is/are appointed as soon as possible. The Company will make further announcement(s) as and when appropriate.

The Board will continuously review the effectiveness of the corporate governance structure of the Company and effect changes whenever necessary.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Model Code on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all Directors, the Company confirms that all the Directors have complied with the Model Code for the year ended 31 December 2024.

BOARD OF DIRECTORS

Composition of the Board

As at 31 December 2024, the Board comprised seven Directors, including four executive Directors, one non-executive Director and two independent non-executive Directors. During the year and up to the date of this report, the composition of the Board is as follows:

Executive Directors
Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu *(Chief Executive Officer)*
Mr. Wang Jian *(Resigned on 31 March 2025)*
Mr. Zhou Yijie

Non-executive Director
Mr. Liu Xiaowei

Independent Non-executive Directors
Ms. Chan Ching Yi
Mr. Chan Kin Sang *(Resigned on 31 December 2024)*
Mr. Zheng Suijun

The biographical details of the Directors are set out in the section headed "Directors and Senior Management Profile".

There was no relationship (including financial, business, family or other material or relevant relationships) among members of the Board.

Responsibilities of the Board

Apart from its statutory and fiduciary responsibilities, the Board is primarily responsible for reviewing and overseeing the financial and business performance of the Group. It is accountable for the overall strategic development of the Group with the objective to maximise shareholders' value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group, business plans, annual budgets, significant capital expenditure, financial reports, dividend policy and payments, material acquisitions, disposals or investment proposals, Directors' appointments, reappointments or removal, and other material transactions. The Bye-laws provide that all Directors must declare their respective interests, if any, with regards to the resolutions of the Board. In case, a Director has a conflict of interest in a material matter, such Director shall abstain from voting and not be counted in quorum.

The Board has also delegated its duties of managing and implementing the daily operations and business strategies of the Group to the Chief Executive Officer, Executive Directors and senior management of the Company. Moreover, the Board has delegated certain of its responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee, Strategic Committee and Investment and Fund Raising Committee.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer are segregated and held by Mr. Liao Nangang and Ms. Qian Pu, respectively, to ensure their respective independence, accountability and responsibility. The Chairman provides leadership and is responsible for the Group's strategic planning and the management of the operations of the Board, while the Chief Executive Officer is responsible for carrying out the policies of the Board, takes the lead in the Group's operations and business development, and focuses on the daily management and operations generally. There is a clear division of responsibilities between the Chairman and Chief Executive Officer which provides a balance of power and authority.

The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the appointment of a chief executive officer, are necessary.

Independent Non-executive Directors

The Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules. The Company has received an annual confirmation of his independence from each Independent Non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence.

Continuous Professional Development

Under code provision C.1.4 of CG Code regarding continuous professional development ("**CPD**"), Directors should participate in CPD to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. For the year ended 31 December 2024, all Directors have participated in appropriate CPD activities either by attending training courses or by reading materials relevant to the Company's business or to the Directors' duties and responsibilities.

The participation by individual Directors in 2024 is recorded as follows:

Name of Directors	Attending seminars/conference or reading material relating to the business, accounting law, rules and regulations.
Executive Directors	
Mr. Laio Nangang	Yes
Ms. Qian Pu	Yes
Mr. Wang Jian *(Resigned on 31 March 2025)*	Yes
Mr. Zhou Yijie	Yes
Non-executive Director	
Mr. Liu Xiaowei	Yes
Independent Non-executive Directors	
Ms. Chan Ching Yi	Yes
Mr. Chan Kin Sang *(Resigned on 31 December 2024)*	Yes
Mr. Zheng Suijun	Yes

Director's Attendance of the Meetings

The Board meets regularly to review the financial and operating performance of the Group, to make important decisions and to approve future strategies. In addition, the Board would also hold the other Board meetings with a short notice given to discuss the material transactions as and when required. During the year ended 31 December 2024, four Board meetings, two Audit Committee meetings, two Remuneration Committee meetings, two Nomination Committee meetings, one annual general meeting and one special general meeting were held respectively. Attendances of these meetings by Directors are set out below:

	Number of Meetings Attended/Eligible to Attend					
Name of Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Special General Meeting
Executive Directors						
Mr. Liao Nangang	0/5	N/A	N/A	0/2	No	No
Mr. Qian Pu	5/5	N/A	2/2	2/2	Yes	Yes
Mr. Wang Jian (Note 1)	4/5	N/A	N/A	N/A	No	No
Mr. Zhou Yijie	4/4	N/A	N/A	N/A	Yes	Yes
Non-executive Director						
Mr. Liu Xiaowei	4/5	N/A	N/A	N/A	Yes	No
Independent Non-executive Directors						
Ms. Chan Ching Yi	5/5	2/2	2/2	2/2	Yes	Yes
Mr. Chan Kin Sang (Note 2)	5/5	2/2	2/2	2/2	Yes	No
Mr. Zheng Suijun	5/5	2/2	2/2	2/2	Yes	No

Notes:

1. Resigned as an executive Director on 31 March 2025.
2. Resigned as an independent non-executive Director on 31 December 2024.

BOARD COMMITTEES

The Board has maintained five board committees (the "**Board Committee(s)**"). Each of the Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, the Investment and Fund Raising Committee and the Strategic Committee, is to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board Committee is provided with sufficient resources to discharge its duties properly, and holds meetings in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of Board meetings.

Audit Committee

The Audit Committee was established on 9 November 2001. The Audit Committee comprises three members of all whom are Independent Non-executive Directors, namely:

Mr. Chan Ching Yi *(Chairman)*
Mr. Chan Kin Sang *(Resigned on 31 December 2024)*
Mr. Zheng Suijun

The major duties of the Audit Committee are to review and supervise the financial reporting process, financial controls, internal control and risk management system of the Group, and to provide recommendation and advices to the Board on the appointment, reappointment and removal of external auditor as well as their terms of appointment. The authority and duties of the Audit Committee are set out in its specific written terms of reference. The Audit Committee has explicit authority to investigate any activity within its duties and responsibilities and the authority to obtain outside legal or other independent professional advice if it considers necessary. Full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The Audit Committee meets at least twice a year. During the year ended 31 December 2024, two committee meetings were held. Attendances of the meetings have been disclosed on page 34 of this annual report.

During the year ended 31 December 2024, a summary of the work of the Audit Committee is as follows:

1. reviewing the audited annual results for the year ended 31 December 2023 and the unaudited interim results for the six months ended 30 June 2024, with a recommendation to the Board for approval;

2. reviewing the external auditor's statutory audit plan and the letters of representation;

3. reviewing the findings and recommendations of the internal auditor;

4. reviewing the Group's financial and accounting policies and practices;

5. reviewing the external auditor's independence and objectivity and the effectiveness of the audit process, with a recommendation to the Board for the re-appointment of the external auditor at the 2024 AGM;

6. considering and approving the remuneration and terms of engagement letters for the purpose of appointing the external auditor, BTHK, in connection with the statutory audit and review of the results announcements by BTHK; and

7. overseeing and reviewing the effectiveness of the internal control and risk management systems, and the adequacy of the accounting, internal audit and financial reporting function of the Group.

The chairman of the Audit Committee will report the findings and recommendations, if any, to the Board after each meeting.

The consolidated financial statements for the year ended 31 December 2024 were reviewed and recommended by the Audit Committee for the Board's approval for public release.

Nomination Committee

The Nomination Committee was established on 23 March 2005. The Nomination Committee comprises four members, a majority of them being Independent Non-executive Directors, namely:

Mr. Liao Nangang *(Chairman)*
Ms. Chan Ching Yi
Mr. Chan Kin Sang *(Resigned 31 December 2024)*
Ms. Qian Pu
Mr. Zheng Suijun

The major duties of the Nomination Committee are to formulate a formal and transparent process for the Company in the appointment of new Directors; to identify and nominate candidates for directorship; to assess the independence of each Independent Non-executive Director; and to make recommendations to the Board on such appointments. The Nomination Committee also reviews the Board structure and composition by considering the benefits of all aspects of diversity, including but not limited to differences in the background, experience, knowledge, expertise and perspectives of members of the Board. The authority and duties of the Nomination Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

The Nomination Committee shall meet at least once a year. During the year ended 31 December 2024, two committee meetings were held. Attendances of the meetings have been disclosed on page 34 of this annual report.

During the year ended 31 December 2024, a summary of the work of the Nomination Committee is as follows:

1. reviewing and considered that the structure, size, diversity and composition of the Board are appropriate;

2. assessing the independence of independent non-executive Directors;

3. considering and making recommendation to the Board relating to the appointment of Mr. Zhou Yijie as an executive Director; and

4. considering and making recommendation to the Board relating to the re-election of the retiring Directors at the 2024 AGM.

Board Diversity Policy

The Company adopted a board diversity policy on 24 January 2019 to achieve diversity on the Board composition ("**Board Diversity Policy**"). Pursuant to the Board Diversity Policy, the Board shall consider the benefits of diversity when it reviews the Board composition. In designing the Board composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience and qualifications, skills, knowledge, length of service and industry and regional experience.

The Nomination Committee is responsible for the review of the measurable objectives, such as the length of services and professional knowledge of the Directors, adopted for implementing the board diversity policy in terms of nomination of a potential candidate and re-appointment of existing Director and the progress on achieving the objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness.

During the year ended 31 December 2024, our Board consists of six male members and two female members with two Directors of age 29 to 35 years old, five Directors of age 47 to 62 years old and one Director of over 70 years old. The Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation. The total gender diversity of the Group is balanced, at approximately 24%, representing 143 female out of 606 employees (including senior management) as at 31 December 2024. To support diversity across all facets, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours.

Nomination Policy

The Company had adopted a nomination policy on 16 December 2022 (the "**Nomination Policy**") which aims at assisting the Nomination Committee in identifying and nominating suitable candidates for directorship based on the Board Diversity Policy and sets out the nomination criteria and the nomination procedures for (i) nominating new Director to fill a casual vacancy on the Board; (ii) making recommendation to Shareholders regarding any Director proposed for election or re-election of Director at general meeting; and (iii) nomination by Shareholders on election of new Director.

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure its continued effectiveness.

Remuneration Committee

The Remuneration Committee was established on 23 March 2001. The Remuneration Committee comprises four members, a majority of them being Independent non-executive Directors, namely:

Mr. Zheng Suijun *(Chairman) (Appointed on 31 December 2024)*
Mr. Chan Kin Sang *(Chairman) (Resigned on 31 December 2024)*
Mr. Chan Ching Yi
Ms. Qian Pu

The major duties of the Remuneration Committee are to assist the Board to develop and administer fair and transparent procedures for setting remuneration policies of the Directors (including non-executive Directors) and senior management of the Company, and to make recommendations to the Board on the specific remuneration packages of all Directors and senior management of the Company, including benefits-in-kind, pension rights, and compensation payments. The Directors' remuneration is determined by reference to each Director's duties and responsibilities and accountability in the Group as well as the overall performance of the respective company and the Group and the prevailing market situation and competitiveness in the industry. The remuneration packages of the Directors are recommended by the Remuneration Committee and determined by the Board except that no Director or any of his/her associates and senior management can determine his/her own remuneration. The authority and duties of the Remuneration Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee meets at least once a year. During the year ended 31 December 2024, two committee meetings were held. Attendances of the meetings have been disclosed on page 34 of this annual report.

During the year ended 31 December 2024, a summary of the work of the Remuneration Committee is as follows:

1. reviewing the existing remuneration packages and emolument of the Board and senior management; and

2. considering and making recommendations to the Board relating to the remuneration of newly appointed Director(s) (including independent non-executive Director(s)).

Remuneration of Members of the Senior Management by Band
Pursuant to code provision E.1.5 of the CG Code, the remuneration of members of the senior management by band for the year ended 31 December 2024 is set out below:

Within the band of	Number of individuals
Nil to HKD1,000,000	5
HKD1,500,001 to HKD2,000,000	1
	6

Details of the remuneration of each Director for the year ended 31 December 2024 are set out in note 7 to the consolidated financial statements of this annual report.

Investment and Fund Raising Committee

The Investment and Fund Raising Committee was established on 28 March 2017. The Investment and Fund Raising Committee comprises two members, a majority of them being Executive Directors, namely:

Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu

The Board has established the Investment and Fund Raising Committee for the purpose of, among others, reviewing and providing recommendations to the Board for appropriate investment and treasury strategies; and considering, reviewing, evaluating and making recommendations to the Board on different investment opportunities from time to time proposed by the management team of the Company and its subsidiaries.

During the year ended 31 December 2024, Investment and Fund Raising Committee meeting was not held.

The Investment and Fund Raising Committee provides recommendation to the Board for the fund-raising activities and investment opportunities for the Company; and reviews annual performances of property and securities investments during the years.

Strategic Committee

The Strategic Committee was established on 28 March 2017. The Strategic Committee comprises two members, a majority of them being Executive Directors, namely:

Mr. Liao Nangang *(Chairman)*
Ms. Qian Pu

The Board established the Strategic Committee for the purpose of, among others, reviewing and providing recommendations to the Board for appropriate long-term development strategy of the Company and its subsidiaries.

During the year ended 31 December 2024, one Strategic Committee meeting was not held.

The Strategic Committee provides recommendations to the Board for the medium-term and long-term strategic development planning for the Company; and reviewed overall performances of the Group during the year.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility to prepare the financial statements for each financial period which give a true and fair view of the financial affairs of the Group. The Directors also ensure that the financial statements of the Group are prepared in accordance with statutory requirements and applicable accounting standards on a going concern basis. The Board ensures that the publication of the financial statements of the Group is in a timely manner.

The Directors have also made judgments and estimates that are prudent and reasonable in the preparation of the consolidated financial statements. The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the Group consolidated financial statements, is set out in the section headed "Independent Auditor's Report" of this annual report.

Material Uncertainty on Going Concern

As set out in Note 2(b) to the consolidated financial statements, during the year ended 31 December 2024, the Group recorded a net loss of approximately HKD229,199,000 and as at 31 December 2024, the Group's current liabilities exceeds current assets by approximately HKD216,047,000. As at 31 December 2024, the total principal of the Group's borrowings, amounting to approximately HKD490,321,000, along with aggregate compound and default interest payables of HKD45,176,000, are due within one year or are repayable on demand. These borrowings exceed the Group's cash and cash equivalents of approximately HKD21,723,000 as at 31 December 2024.

The Group defaulted on the repayment of two bank borrowings (i.e. Bank Loan 2 and Bank Loan 3 as disclosed in Note 26) with an aggregate principal amount of approximately RMB301,567,000 (equivalent to approximately HKD319,692,000) and the related aggregate amount of compound interests and default interests of approximately RMB41,711,000 (equivalent to approximately HKD44,217,000) as at 31 December 2024.

In October 2024, the Group received a written civil ruling issued by the Intermediate People's Court of Shenzhen, Guangdong in connection with the legal proceedings instituted by the lender to recover the outstanding amounts. Pursuant to the civil ruling, the Group shall repay the outstanding amounts immediately. In addition, the Group has been ordered to pay the court handling fee and preservation order application fee totalling approximately RMB1,461,000 (equivalent to approximately HKD1,549,000).

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

As detailed in the Note 2(b) to the consolidated financial statements, in view of these, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The directors of the Company have prepared the Group's cash flow projections which cover a period of fifteen months from the end of the reporting period up to 31 March 2026, and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and meet its financial obligations as they fall due within the next twelve months from the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

As the Auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements for the year ended 31 December 2024, the Auditor issued the Disclaimer of Opinion, the details of which are described in the "Basis for Disclaimer of Opinion" section of the Independent Auditor's Report as set out on pages 44 to 46 of the Annual Report. The detailed discussion in relation to the Disclaimer of Opinion are disclosed under the "Management Discussion and Analysis" section as set out on pages 6 to 17 of the Annual Report.

Risk Management and Internal Control

During the year, the Group appointed BT Corporate Governance Limited ("**BTCG**") as an external independent professional to:

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- independently perform internal control reviews and assess effectiveness of the Group's risk management and internal control systems.

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by BTCG to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of BTCG as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

The Group has established internal control procedures for the handling and dissemination of inside information, in order to comply with Chapter 13 of the Listing Rules as well as Part XIVA of the SFO. The internal control mechanism includes information flow and reporting processes, confidentiality arrangements, disclosure procedures, staff training arrangements, etc.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management and further enhance the Group's internal control and risk management systems as appropriate.

Services	HKD'000
BTHK:	
– Audit service	1,130
– Other services	700
	1,830
BTCG:	
– Internal control review services	158
Total	1,988

COMPANY SECRETARY

Mr. Sze Kat Man joined the Company as the financial controller of the Company since October 2014, and was appointed as Company Secretary in April 2017. The biographical details of Ms. Sze are set out in the section headed "Directors and Senior Management Profile". During the year ended 31 December 2024, Mr. Sze has complied with Rule 3.29 of the Listing Rules on taking no less than 15 hours of relevant professional training.

DIVIDEND POLICY

The Board has formulated a dividend policy with the aim of enhancing transparency of the Company and facilitating the shareholders and investors to make informed investment decision relating to the Company's shares. The Board shall also take into account the following factors of the Group before considering the declaration and payment of dividends:

- earnings and financial condition;
- operating requirements;
- capital requirements and expenditure plans;
- financial results;
- cash flow situation;
- business conditions and strategies;
- interests of the shareholders of the Company;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

The policy will continue to be reviewed from time to time by the Board and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

SHAREHOLDERS' RIGHT

1. Procedures for Convening a Special General Meeting

Pursuant to the Bye-laws of the Company, the Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company have rights to require a special general meeting to be called by the Board for the transaction of any business specified in written requisition, which must be signed by the requisitionist(s). The requisition must be deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda (the "**Registered Office**") for the attention of the Company Secretary. To ensure that the requisition is received by the Company at the earliest opportunity, a copy of the signed requisition should also be deposited at the Company's principal place of business in Hong Kong at 20/F, One Continental, No. 232 Wan Chai Road, Wan Chai, Hong Kong (the "**Head Office**") for the attention of the Company Secretary.

2. **Procedures for Putting Forward Proposals at General Meetings**

Pursuant to the Companies Act, the Shareholders holding at the date of deposit of the requisition not less than one-twentieth of the total voting right at general meetings of the Company or not less than one hundred Shareholders may provide a written requisition to the Company stating the resolution intended to be proceeded at the general meeting. The requisition must be deposited at the Registered Office for the attention of the Company Secretary. To ensure that the requisition is received by the Company at the earliest opportunity, a copy of the signed requisition should also be deposited at the Head Office for the attention of the Company Secretary.

Shareholders can also refer to the detailed requirements and procedures as set forth in the relevant sections of the Companies Act and the Bye-laws when making any requisitions or proposals for transaction at the general meetings of the Company. For the details of requirement and procedures for convening a general meeting, putting forward the proposals and/or proposing a person for election at a general meeting are available on the Company's website.

SHAREHOLDERS' ENQUIRIES

Shareholders should direct their questions about their shareholdings to the Company's share registrars. The addresses of the Company's share registrars are set out in the section headed "Corporate Information" of this annual report. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Shareholders may also send written enquiries or requests to the Head Office or by fax to (852) 2115 1912 or by email to info@paktakintl.com for the attention of the Company Secretary.

INVESTOR RELATIONS

As always, the Company provides updated information of the Group to all Shareholders when it becomes available and appropriate, through the publication of interim and annual reports, circulars, notices, the Bye-laws or other means in compliance with the legal and regulatory requirements. Such information has been made available on the Company's website at www.paktakintl.com.

The Company acknowledges that general meetings are good communication channel with Shareholders and encourages the Directors and the members of the Board Committees to attend and answer questions raised by Shareholders at the general meetings.

CONSTITUTIONAL DOCUMENT

There were no changes in the constitutional documents during the year ended 31 December 2024.

天職國際

Independent auditor's report to the members of
Pak Tak International Limited
(Incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Pak Tak International Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 47 to 133, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the "Basis for disclaimer of opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. 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

Scope limitation relating to appropriateness of the going concern basis of accounting

As set out in Note 2(b) to the consolidated financial statements, during the year ended 31 December 2024, the Group recorded a net loss of approximately HKD229,199,000 and as at 31 December 2024, the Group's current liabilities exceeds current assets by approximately HKD216,047,000. As at 31 December 2024, the total principal of the Group's borrowings, amounting to approximately HKD490,321,000, along with aggregate compound and default interest payables of HKD45,176,000, are due within one year or are repayable on demand. These borrowings exceed the Group's cash and cash equivalents of approximately HKD21,723,000 as at 31 December 2024.

Since the prior year, the Group defaulted on the repayment of two bank borrowings with an aggregate principal amount of approximately RMB301,567,000 (equivalent to approximately HKD319,692,000) and the related aggregate amount of compound interests and default interests of approximately RMB41,711,000 (equivalent to approximately HKD44,217,000) as at 31 December 2024.

BASIS FOR DISCLAIMER OF OPINION *(Continued)*

Scope limitation relating to appropriateness of the going concern basis of accounting *(Continued)*

During the prior year, one of the banks has initiated litigation against the Group to recover the principal amount, related compound interests and default interests (together referred as the "**Outstanding Amounts**") of approximately RMB318,794,000 (equivalent to approximately HKD337,954,000) in aggregate as at 31 December 2024. In October 2024, the Group received a written civil ruling issued by the Intermediate People's Court of Shenzhen, Guangdong in connection with the legal proceedings instituted by the bank to recover the Outstanding Amounts. Pursuant to the civil ruling, the Group shall repay the Outstanding Amounts immediately. In addition, the Group has been ordered to pay the court handling fee and preservation order application fee totalling approximately RMB1,461,000 (equivalent to approximately HKD1,549,000).

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of these, the directors of the Company have prepared a cashflow forecast covering fifteen months from the end of the reporting period for the Group's going concern assessment (the "**Cashflow Forecast**") up to 31 March 2026. The validity of the going concern assumption based on which these consolidated financial statements have been prepared depends on the outcome of the measures to improve the Group's liquidity and financial position, i.e. whether (i) negotiation with the relevant banks for reaching an agreement on withdrawing the civil ruling, not demanding immediate repayment of existing bank borrowings due to the defaults, and revising the repayment terms to allow for instalments over an extended period over three years will be successful; (ii) shareholders' loan to finance the full repayment of Outstanding Amounts will be obtained from the substantial shareholder; (iii) substantial payments from customers will be successfully collected; (iv) additional banking facilities will be obtained by pledging certain of the Group's commercial properties; and (v) profits and cash inflows will be generated from the new business segment in iron ore mining and milling.

However, we have not been provided with sufficient supporting information of the key assumptions and inputs adopted in the Cashflow Forecast. In particular, in respect of (i) the negotiation with the banks, there was no available documents from management that we considered sufficiently reliable to enable us to assess the status and the likelihood of a successful negotiation with the banks; (ii) the measure to obtain shareholders' loan from the substantial shareholder, there was no information available from management that we considered sufficiently reliable that enables us to assess the financial position of the substantial shareholder and to evaluate whether the substantial shareholder has sufficient financial viability to provide the aforesaid financial support to the Group. There are no alternative audit procedures that we can perform to obtain sufficient appropriate audit evidence to support the successful implementation of the plans and measures as scheduled.

In view of the above scope limitation, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in preparation of these consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the Group's assets to their realisable 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. The effects of these adjustments have not been reflected in these consolidated financial statements.

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process on behalf of the Board of Directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

The engagement director on the audit resulting in this independent auditor's report is Leung Yun Wa.

Baker Tilly Hong Kong Limited
Certified Public Accountants

Hong Kong, 28 March 2025

Leung Yun Wa
Practising Certificate number P08096

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	2024 HKD'000	2023 HKD'000
Revenue	3	**674,764**	422,492
Other revenue	4	**600**	5,274
Other net losses	4	**(3,027)**	(24,962)
Fair value loss on investment properties	13	**(14,547)**	(55,414)
Impairment loss recognised on goodwill	14	**(164,648)**	–
Impairment losses under expected credit loss model, net of reversal	19	**(4,848)**	(88,984)
Direct costs and operating expense		**(640,768)**	(389,177)
Administrative expenses		**(48,847)**	(43,612)
Loss from operations		**(201,321)**	(174,383)
Finance costs	5(a)	**(31,276)**	(25,068)
Loss before taxation	5	**(232,597)**	(199,451)
Income tax credit/(expense)	6	**3,398**	(2,699)
Loss for the year		**(229,199)**	(202,150)
Attributable to:			
– Equity shareholders of the Company		**(229,199)**	(201,747)
– Non-controlling interests		**–**	(403)
Loss for the year		**(229,199)**	(202,150)
		HK cents	HK cents
Loss per share	9		
– Basic and diluted		**(4.89)**	(5.09)

The notes on pages 54 to 133 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 HKD'000	2023 HKD'000
Loss for the year	**(229,199)**	(202,150)
Other comprehensive loss for the year:		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**(10,011)**	(11,595)
Items that will not be reclassified subsequently to profit or loss:		
– Fair value gain/(loss) of financial assets at fair value through other comprehensive income, net of nil tax	**233**	(2,994)
Total comprehensive loss for the year	**(238,977)**	(216,739)
Attributable to:		
Equity shareholders of the Company	**(238,977)**	(216,340)
Non-controlling interests	**–**	(399)
	(238,977)	(216,739)

The notes on pages 54 to 133 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 HKD'000	2023 HKD'000
Non-current assets			
Property, plant and equipment	11	591,556	15,711
Right-of-use assets	12	117,471	20,381
Investment properties	13	255,974	279,418
Goodwill	14	2,824	–
Intangible assets	15	206,402	889
Deferred tax assets	28(a)	9,077	8,080
Financial assets at fair value through other comprehensive income	16	162	1,478
		1,183,466	325,957
Current assets			
Inventories	21	34,901	1,769
Trade and other receivables	18	568,362	535,095
Finance lease receivables	17	–	–
Financial assets at fair value through profit or loss	20	29	57
Restricted cash	22(a)	6,996	–
Cash and cash equivalents	22(a)	21,723	85,362
		632,011	622,283
Current liabilities			
Trade payables	23	194,450	70,856
Other payables and accrued charges	24	101,663	76,442
Contract liabilities	25	56,772	11,422
Borrowings	26	490,321	337,901
Lease liabilities	27	2,979	2,023
Tax payable		1,873	26
		848,058	498,670
Net current (liabilities)/assets		(216,047)	123,613
Total assets less current liabilities		967,419	449,570
Non-current liabilities			
Borrowings	26	254,366	29,407
Lease liabilities	27	11,690	12,241
Deferred tax liabilities	28(a)	86,243	40,668
Provision for rehabilitation	29	10,917	–
		363,216	82,316
NET ASSETS		604,203	367,254

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 HKD'000	2023 HKD'000
CAPITAL AND RESERVES			
Share capital	30(c)	112,600	93,600
Reserves		481,177	273,654
		593,777	367,254
Non-controlling interests		10,426	–
TOTAL EQUITY		604,203	367,254

Approved and authorised for issue by the board of directors on 28 March 2025.

Liao Nangang
DIRECTOR

Qian Pu
DIRECTOR

The notes on pages 54 to 133 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity shareholders of the Company							
	Share capital HKD'000	Share premium HKD'000	Fair value reserve HKD'000	Exchange reserve HKD'000	Retained profits/ (accumulated losses) HKD'000	Sub-total HKD'000	Non-controlling interests HKD'000	Total equity HKD'000
At 1 January 2023	78,000	540,359	(72,894)	(11,663)	35,121	568,923	–	568,923
Changes in equity for the year ended 31 December 2023:								
Loss for the year	–	–	–	–	(201,747)	(201,747)	(403)	(202,150)
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	–	–	–	(11,599)	–	(11,599)	4	(11,595)
Fair value loss of financial assets at fair value through other comprehensive income, net of nil tax	–	–	(2,994)	–	–	(2,994)	–	(2,994)
Total comprehensive loss for the year	–	–	(2,994)	(11,599)	(201,747)	(216,340)	(399)	(216,739)
Capital contribution from a non-controlling shareholder	–	–	–	–	–	–	3,617	3,617
Issue of ordinary shares, net of direct transaction cost (Note 30(c))	15,600	(929)	–	–	–	14,671	–	14,671
Acquisition of non-controlling interests (Note 33)	–	–	–	–	–	–	(3,218)	(3,218)
At 31 December 2023	93,600	539,430	(75,888)	(23,262)	(166,626)	367,254	–	367,254
At 1 January 2024	**93,600**	**539,430**	**(75,888)**	**(23,262)**	**(166,626)**	**367,254**	**–**	**367,254**
Changes in equity for the year ended 31 December 2024:								
Loss for the year	**–**	**–**	**–**	**–**	**(229,199)**	**(229,199)**	**–**	**(229,199)**
Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	**–**	**–**	**–**	**(10,011)**	**–**	**(10,011)**	**–**	**(10,011)**
Fair value gain of financial assets at fair value through other comprehensive income, net of nil tax	**–**	**–**	**233**	**–**	**–**	**233**	**–**	**233**
Total comprehensive loss for the year	**–**	**–**	**233**	**(10,011)**	**(229,199)**	**(238,977)**	**–**	**(238,977)**
Issue of ordinary shares, net of direct transaction cost (Note 30(c))	**19,000**	**446,500**	**–**	**–**	**–**	**465,500**	**–**	**465,500**
Non-controlling interests arising from acquisition of subsidiaries (Note 31)	**–**	**–**	**–**	**–**	**–**	**–**	**10,426**	**10,426**
At 31 December 2024	**112,600**	**985,930**	**(75,655)**	**(33,273)**	**(395,825)**	**593,777**	**10,426**	**604,203**

The notes on pages 54 to 133 form part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 HKD'000	2023 HKD'000
Operating activities			
Loss before taxation		**(232,597)**	(199,451)
Adjustments for:			
– Interest income	4	**(159)**	(3,207)
– Fair value loss of financial assets at fair value through profit or loss	4	**136**	396
– Fair value loss on investment properties	13	**14,547**	55,414
– Loss on disposal of property, plant and equipment	4	**3,090**	533
– Loss on disposal of subsidiaries	4	**(199)**	24,017
– Write-back of trade payables	4	**–**	(805)
– Depreciation on property, plant and equipment	5(c)	**5,277**	10,360
– Depreciation on right-of-use assets	5(c)	**4,097**	3,012
– Impairment loss recognised on goodwill	14	**164,648**	–
– Amortisation on intangible assets	5(c)	**311**	731
– Finance costs	5(a)	**31,276**	25,068
– Loss allowance for expected credit loss allowance on finance lease receivables	5(c)	**–**	29,824
– Loss allowance for expected credit loss on trade receivables	5(c)	**4,880**	60,090
– Reversal of expected credit loss on other receivables	5(c)	**(32)**	(930)
– Exchange realignment		**(399)**	1,126
Operating (loss)/profit before changes in working capital		**(5,124)**	6,178
Decrease in inventories		**289**	70
(Increase)/decrease in trade and other receivables		**(19,387)**	137,402
Decrease in trade payables		**(18,352)**	(77,354)
Decrease in other payables and accrued charges		**(12,242)**	(18,520)
Increase/(decrease) in contract liabilities		**838**	(3,030)
Cash (used in)/generated from operations		**(53,978)**	44,746
Tax paid:			
– People's Republic of China ("**PRC**") tax paid		**–**	(387)
Interest received		**159**	474
Net cash (used in)/generated from operating activities		**(53,819)**	44,833

	Note	2024 HKD'000	2023 HKD'000
Investing activities			
Purchase of property, plant and equipment		(3,073)	(1,286)
Purchase of intangible assets		(53)	–
Purchase of financial assets at fair value through profit or loss		(5,331)	(62,984)
Proceeds from disposal of listed equity securities included in financial assets at fair value through profit or loss		5,299	63,310
Proceeds from disposal of financial assets at fair value through other comprehensive income		1,549	–
Withdrawal of pledged bank deposits		–	38,132
Net cash inflow on acquisition of subsidiaries	31	115	–
Net cash inflow on disposal of subsidiaries	32	1,705	38,385
Net cash generated from investing activities		211	75,557
Financing activities			
Proceeds from issue of ordinary shares	30(c)	–	14,671
Capital element of lease rental paid	22(b)	(2,987)	(14,116)
Interest element of lease rental paid	22(b)	(718)	(863)
Proceeds from new loans	22(b)	1,000	1,105
Repayment of loans	22(b)	(7,091)	(70,134)
Interest paid	22(b)	(1,944)	(5,522)
Payment for acquisition of additional interest in a subsidiary	33	3,218	–
Capital contribution from a non-controlling shareholder		–	3,617
Net cash used in financing activities		(8,522)	(71,242)
Net (decrease)/increase in cash and cash equivalents		(62,130)	49,148
Cash and cash equivalents at beginning of the year		85,362	37,684
Effect of foreign exchange rate changes		(1,509)	(1,470)
Cash and cash equivalents at end of the year	22(a)	21,723	85,362

The notes on pages 54 to 133 form part of the consolidated financial statements.

1. GENERAL

Pak Tak International 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**"). The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. With effect from 15 April 2024, the principal office in Hong Kong has been changed to 20/F, One Continental, No. 232 Wan Chai Road, Wan Chai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in the supply chain business, property investment, hotel management and catering service, and iron ore mining and milling.

The consolidated financial statements of the Company and its subsidiaries (the "**Group**") are presented in Hong Kong dollars ("**HKD**") which is same as the functional currency of the Company. The consolidated financial statements are presented in the nearest thousand (HKD'000) unless otherwise stated.

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

A summary of material accounting policies adopted by the Group is set out below.

(b) Basis of preparation of the consolidated financial statements

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except that the following assets and liabilities are stated at their fair values as explained in the accounting policies set out below:

- investment properties (see Note 2(h)); and
- investments in equity securities (see Note 2(g)).

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the consolidated financial statements *(Continued)*

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 38.

Going concern assumption

During the year ended 31 December 2024, the Group recorded a net loss of approximately HKD229,199,000 and as at 31 December 2024, the Group's current liabilities exceed current assets by approximately HKD216,047,000. As at 31 December 2024, the total principal of the Group's borrowings, amounting to approximately HKD490,321,000, along with aggregate interest payables of HKD45,176,000, are due within one year or are repayable on demand. These borrowings exceed the Group's cash and cash equivalents of approximately HKD21,723,000 as at 31 December 2024.

Since the prior year, the Group defaulted on the repayment of two bank borrowings (i.e. Bank Loan 2 and Bank Loan 3 as disclosed in Note 26) with an aggregate principal amount of approximately RMB301,567,000 (equivalent to approximately HKD319,692,000) and the related aggregate amount of compound interests and default interests of approximately RMB41,711,000 (equivalent to approximately HKD44,217,000) as at 31 December 2024.

During the prior year, the lender of Bank Loan 2 has initiated litigation against the Group to recover the principal amount, related compound interests and default interests (together referred as the "**Outstanding Amounts**") of approximately RMB318,794,000 (equivalent to approximately HKD337,954,000) in aggregate as at 31 December 2024.

In October 2024, the Group received a written civil ruling issued by the Intermediate People's Court of Shenzhen, Guangdong in connection with the legal proceedings instituted by the lender to recover the Outstanding Amounts. Pursuant to the civil ruling, the Group shall repay the Outstanding Amounts immediately. In addition, the Group has been ordered to pay the court handling fee and preservation order application fee totalling approximately RMB1,461,000 (equivalent to approximately HKD1,549,000).

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the consolidated financial statements *(Continued)*

Going concern assumption (Continued)

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In view of these, the directors of the Company have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

(i) The Group has been actively negotiating with the relevant banks for reaching an agreement on withdrawing the civil ruling, not demanding immediate repayment of existing bank borrowings due to the defaults and revising the repayment terms to allow for instalments over an extended period over three years;

(ii) The substantial shareholder of the Company has agreed in writing to provide sufficient fundings to the Group by way of a shareholder's loan with the payment schedule or to be mutually agreed based on the Company's actual repayment obligations, to finance the full repayment of the Outstanding Amounts;

(iii) The Group has been actively implemented measures to speed up the collection of substantial payments from customers;

(iv) The Group has developed a plan to obtain additional banking facilities by pledging certain of the Group's commercial properties; and

(v) The Group acquired a new business segment in iron ore mining and milling to enhance the Group's profitability and cash inflows.

The directors of the Company have prepared the Group's cash flow projections which cover a period of fifteen months from the end of the reporting period up to 31 March 2026, and are of the opinion that the Group will have sufficient financial resources to satisfy its future working capital requirements and meet its financial obligations as they fall due within the next twelve months from the date of approval of these consolidated financial statements. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(b) Basis of preparation of the consolidated financial statements *(Continued)*

Going concern assumption (Continued)

Notwithstanding the above, material uncertainty exists as to whether the Group is able to achieve the plans and measures as described above which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to mitigate its liquidity pressure and improve the financial position of the Group through the following:

(i) Successful negotiation with the relevant banks for reaching an agreement on withdrawing the civil ruling, not demanding immediate repayment of existing bank borrowings due to the defaults and revising the repayment terms to allow for instalments over an extended period over three years;

(ii) Successfully obtaining fundings from the substantial shareholder of the Company by way of shareholders' loan to finance the full repayment of the Outstanding Amounts;

(iii) Successfully collecting substantial payments from customers;

(iv) Successfully obtaining additional banking facilities by pledging certain of the Group's commercial properties; and

(v) Successfully generating profits and cash inflows from the new business segment in iron ore mining and milling.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments might 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. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(c) Changes in accounting policies

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of liabilities as current or non-current ("**2020 amendments**")
Amendments to HKAS 1	Non-current liabilities with covenants ("**2022 amendments**")
Amendments to HKFRS 16	Lease liability in a sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements

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

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 43).

Amendments to HKAS 1, Presentation of financial statements (the 2020 and 2022 amendments, collectively the "HKAS 1 amendments")

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see Note 2(k)(ii)).

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(e) Business combinations and goodwill

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

(f) Intangible assets (other than goodwill)

Mining rights acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, mining rights with definite estimated useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Mining rights are amortised in accordance with the proved and probable reserves of the iron mines using the units of production method.

Other intangible asset (i.e. computer software) that are acquired by the Group and have finite estimated useful lives are measured at cost less accumulated amortization using straight line method over 5–10 years and any accumulated impairment losses.

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries are as follows:

Investment in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("**FVPL**") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 34(g). These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(u)(ii)).

– fair value through other comprehensive income ("**FVOCI**") – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(g) Investments in securities *(Continued)*

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such an election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained profits or accumulated losses and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other revenue.

(h) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

Investment properties are initially measured at cost, and subsequently at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with Note 2(u)(ii).

(i) Property, plant and equipment

The items of property, plant and equipment (other than construction in progress as described below) are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(k)(ii)). Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Property, plant and equipment *(Continued)*

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment (other than mining structure and construction in progress) less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss:

Leasehold improvements	20% or over the remaining term of the relevant leases, whichever is shorter
Property held for own use	Over the remaining estimated useful life
Furniture, fixtures and equipment	10% to 33%
Motor vehicles	20% to 25%
Plant and machinery	10% to 33%

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Mining structures are infrastructures which include mainly the main and auxiliary mine shafts, underground tunnels and other mining costs recognised for the future economic benefits of the operation. Mining structure in the course of development or construction are included in construction in progress and are not depreciated. Capitalised mining structure costs are depreciated once commercial production commences, as described in mining structure below.

Depreciation for mining structure (other than construction in progress) is calculated using the unit of production method over the remaining life of the mine. The life of the mine is based on the total estimated proven and probable reserves of the iron mines.

The management reviews the estimated total recoverable iron mines contained in proven and probable reserves at the end of each reporting period and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable iron mines contained in proven and probable reserves are accounted for prospectively.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(u)(ii).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(j)(ii), then the Group classifies the sub-lease as an operating lease.

(ii) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Leased assets *(Continued)*

(ii) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(k)(ii)). Right-of-use asset is depreciated on a straight-line basis over the shorter of its expected useful life and the lease term.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments and finance lease receivables

The Group recognised a loss allowance for expected credit losses ("**ECLs**") on the following items:

– financial assets measured at amortised cost (including cash and cash equivalents, restricted cash and trade and other receivables); and

– finance lease receivables.

Financial assets measured at fair value, including equity securities measured at FVPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments and finance lease receivables (Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates if the effect is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate;

– finance lease receivables: discount rate used in the measurement of the lease receivable.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events that are possible within the 12 months after the reporting date; and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments and finance lease receivables (Continued)

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

– an actual or expected significant deterioration in the operating results of the debtor;

– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(i) Credit losses from financial instruments and finance lease receivables (Continued)

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

– significant financial difficulty of the issuer or the borrower;

– a breach of contract, such as a default or past due event;

– the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concessions that the lenders would not otherwise consider;

– it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Credit losses and impairment of assets *(Continued)*

(i) *Credit losses from financial instruments and finance lease receivables (Continued)*

Write-off policy

The gross carrying amount of a financial asset or finance lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) *Impairment of other non-current assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("**CGU**"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Costs of inventories are determined on the following bases:

– Food and beverages from the hotel management and catering services are valued on first-in, first-out method and comprises all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition;

– Materials, iron ore concentrate and sailing sand and auxiliary goods from the mining operation are valued on weighted average basis and comprises cost of conversion and other cost incurred in bringing the inventories to their present location and condition;

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables are initially measured at their transaction price. All receivables are subsequently stated at amortised cost (see Note 2(k)(i)).

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(u)(ii).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(u)(i)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs (see Note 2(k)(i)).

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Defined benefit plan obligations

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For long service payment obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(s) Income tax *(Continued)*

Where investment properties are carried at their fair value in accordance with Note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

Provision for rehabilitation

The mining extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling; removal or treatment of waste materials and restoration; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Group’s environmental policies.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(t) Provisions and contingent liabilities *(Continued)*

Provision for rehabilitation (Continued)

Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

(u) Revenue and other revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including sales of goods from supply chain business that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

(a) Sales of goods

Revenue from sales of goods is recognised when the control of the products has transferred, being when the products are delivered to the customers, the customer has accepted the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

(b) Hotel management and catering services

Revenue from food and beverage sales is recognised at the point in time when the services are rendered. Hotel room service income from room rental is recognised over time during the period of stay for the hotel guests. Revenue in respect of hotel management services is recognised over time during the period when management services are delivered to the hotels.

(c) Handling fee income

Handling fee income is recognised when services are provided.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(u) Revenue and other revenue recognition *(Continued)*

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Rental income from operating leases

Rental income is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

– an investment in equity securities designated as at FVOCI.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into HKD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into HKD at the exchange rates at the dates of the transactions.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

(v) Translation of foreign currencies *(Continued)*

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the non-controlling interests shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. REVENUE

Revenue represents net sale value of goods supplied to customers, service income from different segments, interest income and rental income, net of discounts and related value added tax or other taxes, and is analysed as follows:

	2024 HKD'000	2023 HKD'000
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines (Note)		
– Sales of goods from supply chain business	573,068	294,706
– Sales of food and beverage products from hotel management and catering services	79,792	100,403
– Management fee income from hotel management services	10,718	15,030
– Handling fee income from supply chain financing arrangements	219	120
	663,797	410,259
Revenue from other sources		
Interest income from supply chain financing arrangements	2,619	3,458
Gross rentals from investment properties		
– Lease payment that are fixed	6,654	6,356
Rental income from sublease	1,694	2,419
	10,967	12,233
	674,764	422,492

Note: The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for products or services such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for products or services that had an original expected duration of one year or less.

4. OTHER REVENUE AND OTHER NET LOSSES

	2024 HKD'000	2023 HKD'000
Other revenue		
Interest income	159	3,207
Write-back of trade payables	–	805
Sundry income	441	1,262
	600	5,274
Other net (losses)/gains		
Loss on disposal of property, plant and equipment	(3,090)	(533)
Gain/(loss) on disposal of subsidiaries (Note 32)	199	(24,017)
Fair value loss of financial assets at fair value through profit or loss	(136)	(396)
Others	–	(16)
	(3,027)	(24,962)

5. LOSS BEFORE TAXATION

Loss before taxation is arrived after (crediting)/charging:

	2024 HKD'000	2023 HKD'000
(a) Finance costs:		
Interest on bills payables	–	297
Interest on borrowings	30,558	23,908
Interest on lease liabilities	718	863
	31,276	25,068
(b) Staff costs (including directors' emoluments in Note 7):		
Salaries, wages, bonus and allowances	44,910	46,336
Contributions to defined contribution retirement plans (Note)	5,738	5,848
Staff welfare and benefits	3,830	5,992
	54,478	58,176

Note: Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

5. LOSS BEFORE TAXATION *(Continued)*

Loss before taxation is arrived after (crediting)/charging: (Continued)

	2024 HKD'000	2023 HKD'000
(c) Other items:		
Amortisation on intangible assets	**311**	731
Auditor's remuneration		
– audit services	**1,130**	970
– other services	**700**	308
Cost of inventories sold from supply chain business	**566,513**	293,191
Cost of inventories consumed from hotel management and catering services	**27,379**	41,822
Depreciation on property, plant and equipment	**5,277**	10,360
Depreciation on right-of-use assets	**4,097**	3,012
Expenses relating to short-term leases	**3,630**	1,173
Provision for ECL allowance on finance lease receivables	**–**	29,824
Provision for ECL allowance on trade receivables	**4,880**	60,090
Reversal of ECL allowance on other receivables	**(32)**	(930)

6. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 HKD'000	2023 HKD'000
Current tax – the PRC Enterprise Income Tax		
– Current income tax	554	23
– Over-provision in respect of prior years, net	–	(652)
	554	(629)
Deferred tax (Note 28(a))		
– the PRC	(3,952)	3,328
Income tax (credit)/expense	(3,398)	2,699

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits. No provision for Hong Kong Profits Tax has been made as the Company and its subsidiaries incorporated or domiciled in Hong Kong have no assessable profits or sustained tax losses for taxation purpose for both years.

Under the Law of the People's Republic of China (the "**PRC**") on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

6. INCOME TAX *(Continued)*

(b) Reconciliation between the income tax (credit)/expense and accounting loss at the applicable tax rates:

	2024 HKD'000	2023 HKD'000
Loss before taxation	**(232,597)**	(199,451)
Notional tax on results before taxation, calculated at the rates applicable to profit in jurisdictions concerned	**(56,913)**	(45,406)
Tax effect of expenses not deductible for tax purposes	**4,925**	11,868
Tax effect of income not taxable	**(475)**	(10,445)
Tax effect of tax losses not recognised	**3,864**	11,858
Tax effect of utilisation of tax losses previously not recognised	**–**	(47)
Over-provision in respect of prior years, net	**–**	(652)
Tax effect of temporary differences not recognised	**45,201**	35,523
Income tax (credit)/expense	**(3,398)**	2,699

7. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the Listing Rules are as follows:

	Directors' fees		Salaries, allowances and benefits in kind		Discretionary bonus		Retirement scheme contributions		Total	
	2024 HKD'000	2023 HKD'000	**2024 HKD'000**	2023 HKD'000	**2024 HKD'000**	2023 HKD'000	**2024 HKD'000**	2023 HKD'000	**2024 HKD'000**	2023 HKD'000
Executive directors										
Liao Nangang *(chairman)*	–	–	–	–	–	–	–	–	–	–
Qian Pu *(chief executive officer)*	–	–	1,580	1,584	108	–	83	81	1,771	1,665
Wang Jian	–	–	260	260	–	–	13	13	273	273
Ning Jie (resigned on 1 February 2024)	–	–	30	390	–	–	2	18	32	408
Zhou Yijie (appointed on 1 February 2024)	–	–	715	–	–	–	17	–	732	–
Non-executive directors										
Shin Yick Fabian *(resigned on 3 February 2023)*	–	–	–	33	–	–	–	2	–	35
Liu Xiaowei	–	–	390	390	–	–	18	18	408	408
Independent non-executive directors										
Zheng Suijun	120	120	–	–	–	–	–	–	120	120
Chan Kin Sang *(resigned on 31 December 2024)*	120	120	–	–	–	–	–	–	120	120
Chan Ching Yi, Yvonne	120	120	–	–	–	–	–	–	120	120
	360	360	2,975	2,657	108	–	133	132	3,576	3,149

During the years ended 31 December 2024 and 2023, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived any emoluments during the years ended 31 December 2024 and 2023.

8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2023: one director), details of whose remuneration are set out in Note 7. Details of the remuneration of the five highest paid employees of the Company are as follows:

	2024 HKD'000	2023 HKD'000
Salaries and other emoluments	4,581	4,460
Discretionary bonus	288	–
Retirement scheme contributions	246	268
	5,115	4,728

The number of the five highest paid employees where remuneration fell within the following bands is as follows:

	No. of individuals	
	2024 HKD'000	2023 HKD'000
Nil – HKD1,000,000	3	4
HKD1,000,001 – HKD1,500,000	1	–
HKD1,500,001 – HKD2,000,000	1	1
	5	5

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity shareholders of the Company by weighted average number of ordinary shares in issue during the year.

	2024 HKD'000	2023 HKD'000
Loss		
Loss attributable to equity shareholders of the Company	(229,199)	(201,747)
Number of shares	'000	'000
Weighted average number of ordinary shares in issue	4,682,596	3,966,247

Basic loss per share is the same as diluted loss per share as the Company has no dilutive potential shares.

10. SEGMENT REPORTING

(a) Operating segment

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

During the year ended 31 December 2024, the Group commenced the business engaging in iron ore mining and milling along with the acquisition of Zongchuan Investment Group Co,, Limited ("**Zongchuan Investment**") (as detailed in Note 31), and it is considered as a new operating and reportable segment by the CODM.

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

(i) Supply chain business;
(ii) Property investment;
(iii) Hotel management and catering services; and
(iv) Iron ore mining and milling.

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

Year ended 31 December 2024	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Disaggregated by timing of revenue recognition						
Point in time	573,287	–	79,792	–	–	653,079
Over time	2,619	2,632	16,434	–	–	21,685
Revenue from external customers	575,906	2,632	96,226	–	–	674,764
Segment loss	(12,180)	(7,602)	(1,061)	(164,648)	(793)	(186,284)
Reconciliation:						
Interest income						159
Corporate and other unallocated expenses						(15,637)
Finance costs						(31,276)
Other revenue						441
Loss before taxation						(232,597)
Income tax credit						3,398
Loss for the year						(229,199)

10. SEGMENT REPORTING *(Continued)*

(a) Operating segment *(Continued)*

The following is an analysis of the Group's revenue and results by reportable segments: (Continued)

Year ended 31 December 2023	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Disaggregated by timing of revenue recognition						
Point in time	294,826	–	100,403	–	–	395,229
Over time	3,458	2,672	21,133	–	–	27,263
Revenue from external customers	298,284	2,672	121,536	–	–	422,492
Segment loss	(65,746)	(50,384)	(7,741)	–	(32,220)	(156,091)
Reconciliation:						
Interest income						3,207
Corporate and other unallocated expenses						(23,566)
Finance costs						(25,068)
Other revenue						2,067
Loss before taxation						(199,451)
Income tax expense						(2,699)
Loss for the year						(202,150)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment loss represents the loss from each segment without allocation of central administration costs, directors' emoluments, interest income, finance costs and other revenue.

This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

10. SEGMENT REPORTING *(Continued)*

(a) Operating segment *(Continued)*

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

At 31 December 2024	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Segment assets	489,857	162,487	175,523	968,286	5,757	1,801,910
Reconciliation:						
Deferred tax assets						9,077
Corporate and other unallocated assets						4,490
Total assets						1,815,477
Segment liabilities	430,122	19,975	49,154	606,878	10,441	1,116,570
Reconciliation:						
Deferred tax liabilities						86,243
Corporate and other unallocated liabilities						8,461
Total liabilities						1,211,274

10. SEGMENT REPORTING *(Continued)*

(a) Operating segment *(Continued)*

At 31 December 2023	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Segment assets	493,033	177,217	170,631	–	1,783	842,664
Reconciliation:						
Deferred tax assets						8,080
Corporate and other unallocated assets						97,496
Total assets						948,240
Segment liabilities	423,850	28,047	79,541	–	7,810	539,248
Reconciliation:						
Deferred tax liabilities						40,668
Corporate and other unallocated liabilities						1,070
Total liabilities						580,986

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

- all assets are allocated to operating segments other than deferred tax assets and corporate and other unallocated assets;
- goodwill is allocated to operating segments; and
- all liabilities are allocated to operating segments other than deferred tax liabilities and corporate and other unallocated liabilities.

10. SEGMENT REPORTING *(Continued)*

(a) Operating segment *(Continued)*

The following is an analysis of the Group's other segment information by reportable segments:

At 31 December 2024	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Other information						
Additions to non-current segment assets	12	–	468	1,052,724	6,466	1,059,670
Depreciation and amortisation	60	3	7,789	–	1,833	9,685
Impairment loss on goodwill	–	–	–	164,648	–	164,648
Provision for/(reversal of) ECL allowances, net	5,503	52	(707)	–	–	4,848

Year ended 31 December 2023	Supply chain business HKD'000	Property investment HKD'000	Hotel management and catering services HKD'000	Iron ore mining and milling HKD'000	Others HKD'000	Total HKD'000
Other information						
Additions to non-current segment assets	–	9	1,277	–	–	1,286
Depreciation and amortisation	61	3	12,248	–	23	12,335
Unallocated depreciation						1,768
						14,103
Provision for ECL allowances, net	56,199	60	3,120	–	29,605	88,984

10. SEGMENT REPORTING *(Continued)*

(b) Geographical information

The Group's revenue from external customers is wholly derived from the PRC.

The Group's information about its non-current assets (excluding goodwill, financial assets at fair value through other comprehensive income and deferred tax assets) by geographic location is as follows:

	2024 HKD'000	2023 HKD'000
The PRC	**1,169,410**	316,399
Hong Kong	**1,993**	–
	1,171,403	316,399

(c) Information about major customers

Revenue from major customers, each of whom amounted to 10% or more of the Group's revenue, is set out below:

	2024 HKD'000	2023 HKD'000
Supply chain business		
Customer A	**127,714**	N/A*
Customer B	**209,886**	–
Customer C	**–**	114,464

* The corresponding revenue did not contribute 10% or more of the Group's revenue.

11. PROPERTY, PLANT AND EQUIPMENT

	Construction in progress HKD'000	Mining structure HKD'000	Plant and machinery HKD'000	Leasehold improvements HKD'000	Property held for own-use HKD'000	Furniture, fixtures and equipment HKD'000	Motor vehicles HKD'000	Total HKD'000
Cost								
At 1 January 2023	–	–	–	23,762	71,332	7,063	765	102,922
Exchange realignment	–	–	–	(673)	–	(186)	(5)	(864)
Additions	–	–	–	1,228	–	56	2	1,286
Disposals/written-offs	–	–	–	(820)	–	(669)	(565)	(2,054)
Derecognition on disposal of subsidiaries (Note 32)	–	–	–	(140)	(71,332)	–	–	(71,472)
At 31 December 2023 and 1 January 2024	–	–	–	23,357	–	6,264	197	29,818
Exchange realignment	–	–	–	(658)	–	(132)	(6)	(796)
Additions	–	–	–	2,596	–	477	–	3,073
Disposals/written-offs	–	–	–	(5,671)	–	(3,273)	–	(8,944)
Acquired on acquisition of subsidiaries (Note 31)	70,262	295,756	97,560	–	112,973	571	4,358	581,480
At 31 December 2024	70,262	295,756	97,560	19,624	112,973	3,907	4,549	604,631
Accumulated depreciation								
At 1 January 2023	–	–	–	5,416	7,597	1,292	685	14,990
Exchange realignment	–	–	–	(214)	–	(36)	(3)	(253)
Depreciation provided for the year	–	–	–	7,186	1,741	1,397	36	10,360
Disposals/written-offs	–	–	–	(336)	–	(620)	(565)	(1,521)
Derecognition on disposal of subsidiaries (Note 32)	–	–	–	(131)	(9,338)	–	–	(9,469)
At 31 December 2023 and 1 January 2024	–	–	–	11,921	–	2,033	153	14,107
Exchange realignment	–	–	–	(396)	–	(55)	(4)	(455)
Depreciation provided for the year	–	–	–	4,011	–	1,265	1	5,277
Disposals/written-offs	–	–	–	(4,994)	–	(860)	–	(5,854)
At 31 December 2024	–	–	–	10,542	–	2,383	150	13,075
Net carrying amount								
At 31 December 2024	70,262	295,756	97,560	9,082	112,973	1,524	4,399	591,556
At 31 December 2023	–	–	–	11,436	–	4,231	44	15,711

Certain owned properties are erected on land in the PRC with respect to which the Group has not been granted formal title of ownership. At 31 December 2024, the net carrying amount of such owned properties was RMB106,588,000 (equivalent to HKD112,973,000). The directors of the Company consider that the absence of formal title to these owned properties does not impair the value of the relevant owned properties to the Group as the Group has paid substantially the full purchase consideration of these land use rights and the probability of being evicted on the ground of an absence of formal title is remote. The director of the Company believes that formal title of these owned properties will be granted to the Group in due course.

12. RIGHT-OF-USE ASSETS

	Land-use rights HKD'000 (Note (b))	Leased properties HKD'000 (Note (a))	Total HKD'000
Cost			
At 1 January 2023	–	21,220	21,220
Modifications of lease payments	–	6,411	6,411
Exchange realignment	–	(590)	(590)
At 31 December 2023 and 1 January 2024	–	27,041	27,041
Acquired on acquisition of subsidiaries (Note 31)	97,976	–	97,976
Additions (Note (a))	–	3,820	3,820
Derecognition	–	(1,413)	(1,413)
Exchange realignment	–	(864)	(864)
At 31 December 2024	97,976	28,584	126,560
Accumulated depreciation			
At 1 January 2023	–	3,780	3,780
Charge for the year	–	3,012	3,012
Exchange realignment	–	(132)	(132)
At 31 December 2023 and 1 January 2024	–	6,660	6,660
Charge for the year	–	4,097	4,097
Written-offs	–	(1,413)	(1,413)
Exchange realignment	–	(255)	(255)
At 31 December 2024	–	9,089	9,089
Net carrying amount			
At 31 December 2024	97,976	19,495	117,471
At 31 December 2023	–	20,381	20,381

12. RIGHT-OF-USE ASSETS *(Continued)*

The analysis of net carrying amount of right-of-use assets by class of underlying asset is as follows:

	2024 HKD'000	2023 HKD'000
Land	97,976	–
Offices	4,688	2,547
Restaurants	14,807	17,558
Plant	–	276
	117,471	20,381

The analysis of items in relation to leases recognised in profit or loss is as follows:

	2024 HKD'000	2023 HKD'000
Depreciation on right-of-use assets (Note 5(c))	4,097	3,012
Interest on lease liabilities (Note 5(a))	718	863
Total cash outflow for leases		
– Within operating cash flows (Note 5(c))	3,630	1,173
– Within financing cash flows	3,705	14,979

Notes:

(a) During the year ended 31 December 2024, the addition of right-of-use assets resulting from new lease entered for its office in Hong Kong amounted to approximately HKD3,820,000 and the lease run for a period of 3 years.

As at 31 December 2024, the leases of offices and restaurants contain minimum annual lease payment terms that are fixed. These payment terms are common in the PRC where the Group operates. For the year ended 31 December 2024, the Group has obtained the right to use properties as its offices, restaurants and a plant through tenancy agreements, the leases typically run for a period of 1 to 10 years (2023: 1 to 10 years).

(b) It represents leasehold land situated in the PRC under medium-term leases. The Group owns several industrial buildings where its staff quarters and manufacturing facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

13. INVESTMENT PROPERTIES

	2024 HKD'000	2023 HKD'000
At the beginning of the year	**279,418**	344,108
Exchange realignment	**(8,897)**	(9,276)
Fair value loss	**(14,547)**	(55,414)
At the end of the year	**255,974**	279,418

The investment properties are situated in the PRC and are held under medium-term leases. The Group leases out shops and a commercial building, which mainly comprises shops and hotel rooms, situated at two different locations in the PRC under operating leases.

As at 31 December 2024 and 2023, certain investment properties were pledged to bank for loans granted to the Group (see Notes 26(a) and 36).

(a) Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties is measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

The fair values of the shops and the commercial building at the end of the reporting period have been arrived at on the basis of valuation performed by 深圳市國正信資產評估土地房地產估價有限公司 and International Valuation Limited respectively, independent qualified professional property valuers ("**Property Valuers**") not connected with the Group, with recent experience in the location and category of property being valued. The management has discussion with the Property Valuers on the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

The fair value of the shops is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a discount specific to the quality and location of the properties compared to the recent sales, and are therefore grouped into Level 3 of fair value measurement.

13. INVESTMENT PROPERTIES *(Continued)*

(a) Fair value measurement of the Group's investment properties *(Continued)*

The commercial building was acquired through acquisition of subsidiaries on 1 April 2022. At the acquisition date, a portion of the building was classified as an investment property for it being leased out to earn rentals, while the rest of the building was classified as property held for own-use for it being used to run a hotel business. As at 31 December 2022, the Group leased the entire commercial building to an independent third party with an initial term of 8 years and therefore the entire commercial building was transferred to and classified as an investment property.

The income capitalisation approach estimates the fair value of the building on an open market basis by capitalising rental income having regard to the current net passing rental income from existing tenancy and potential future reversionary income at the market level. The term value involves the capitalisation of the current net passing rental income over the existing lease term on a fully leased basis. The reversionary value is taken to be current market rental income upon the expiry of the lease and is capitalised by adopting appropriate occupancy rates. In this approach, the independent qualified professional valuer has considered the term yield and reversionary yield. The term yield is used for capitalisation of the current net passing rental income as at the date of valuation whilst the reversionary yield is used to convert reversionary rental income. The fair value of the commercial building therefore grouped into Level 3 of fair value measurement.

There were no transfers between Level 1 and Level 2, or transfer into or out of Level 3 for both reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2024 **HKD'000**	2023 HKD'000
Shops		
At the beginning of the year	**173,087**	225,658
Exchange realignment	**(5,509)**	(5,999)
Fair value loss	**(9,134)**	(46,572)
At the end of the year	**158,444**	173,087

	2024 **HKD'000**	2023 HKD'000
A commercial building		
At the beginning of the year	**106,331**	118,450
Exchange realignment	**(3,388)**	(3,277)
Fair value loss	**(5,413)**	(8,842)
At the end of the year	**97,530**	106,331

13. INVESTMENT PROPERTIES *(Continued)*

(a) Fair value measurement of the Group's investment properties *(Continued)*

Information about Level 3 fair value measurements

Description of investment properties	Valuation technique	Significant unobservable inputs	Range	Sensitivity
Shops	Direct comparison approach	Selling price of similar properties in the nearest locality	RMB5,000/m^2 to RMB9,300/m^2 (2023: RMB6,700/m^2 to RMB9,500/m^2)	The higher the selling price of similar properties in the nearest locality used, the higher the fair value
		Adjustment to price per square meter in relation to quality of properties (e.g. location, size, level and condition with reference to comparables)	-2% to 6% (2023: -6% to 10%)	The higher the quality of properties with reference to the comparables, the higher the fair value
A commercial building	Income capitalisation approach	(i) Term yield	5.5% (2023: 5%)	The higher the term yield, the lower the fair value
		(ii) Net passing rental income	RMB3.5M to RMB4.1M per annum (2023: RMB3.5M to RMB4.1M per annum)	The higher the net passing rental income, the higher the fair value
		(iii) Reversionary yield	6.5% (2023: 6%)	The higher the reversionary yield, the lower the fair value
		(iv) Reversionary market rental income (for shops)	RMB50/month/m^2 to RMB100/month/m^2 (2023: RMB47/month/m^2 to RMB94/month/m^2)	The higher the reversionary market rental income, the higher the fair value
		(v) Reversionary average daily rates (for hotel rooms)	RMB476 to RMB621 per room (2023: RMB452 to RMB590 per room)	The higher the reversionary average daily rate, the higher the fair value

13. INVESTMENT PROPERTIES *(Continued)*

(b) Assets leased out under operating leases

The leases typically run for an initial period of 1 to 8 years (2023: 1 to 8 years), with an option to renew the lease after that date at which all terms are renegotiated. None of the leases includes variable lease payments.

Total future minimum lease payments receivable under operating leases is as follows:

	2024 HKD'000	2023 HKD'000
Within 1 year	**6,814**	8,370
After 1 year but within 2 years	**4,747**	6,955
After 2 years but within 3 years	**4,548**	4,845
After 3 years but within 4 years	**4,775**	4,642
After 4 years but within 5 years	**4,775**	4,874
After 5 years	**5,014**	9,992
	30,673	39,678

14. GOODWILL

	Mining operations HKD'000
Cost and carrying amount:	
At 1 January 2024	**–**
Acquired on acquisition of subsidiaries (Note 31)	**167,472**
Impairment loss made for the year	**(164,648)**
At 31 December 2024	**2,824**

Goodwill arising on acquisition of subsidiaries is allocated to the Group's mining operation. Impairment test for this cash-generating unit is as below.

14. GOODWILL *(Continued)*

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on the mining plan approved by management covering a nine-year period and discount rate of 8.26%. The cash flow projections covered a period greater than five years because a longer forecast period is required for the relevant business to reflect the foreseeable production of the mine. The cash flows beyond the nine-year period are extrapolated using a steady 2.02% growth rate till the end of the useful life of the mine. This growth rate is based on the relevant industry growth forecasts and does not exceed the iron price forecasts. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue, budgeted operating costs, number of future orders and future iron prices, such estimation is based on the unit's past performance and management's expectations for the market development.

During the year ended 31 December 2024, the directors of the Company have consequently determined impairment of goodwill directly related to this CGU amounting to approximately HKD164,648,000. The impairment loss has been included in profit or loss as a separate line item.

The impairment loss arose because on 31 December 2024, the acquisition date of Zongchuan Investment, the consideration shares issued as consideration for the acquisition of Zongchuan Investment were valued at the fair value of the consideration shares of HKD465,500,000, representing 950,000,000 shares valued at the closing price of the Company's shares of HKD0.49 per share as at the acquisition date. The closing price of the Company's shares as at 31 December 2024 was much higher than the agreed price for the consideration shares of HKD0.336 per share as stipulated in the sale and purchase agreement dated 29 February 2024, amounting to HKD319,200,000 based on the consideration shares priced at HKD0.336 per share.

The substantial increase in the consideration recognised by the Group in the business combination of Zongchuan Investment was primarily attributable to the significant rise in the closing price of the Company's shares between the date of sale and purchase agreement and the acquisition date. This increase in share price was driven by market fluctuations, rather than a significant enhancement in the value of Zongchuan Investment itself during this period. Consequently, the goodwill recognised upon the acquisition of Zongchuan Investment was significantly higher than anticipated at the time of the sale and purchase agreement, ultimately lead to an impairment loss on goodwill with the amount of HKD164,648,000 as of 31 December 2024 in order to reflect the true value of the business.

15. INTANGIBLE ASSETS

	Mining rights HKD'000	Computer software HKD'000	Total HKD'000
Cost			
At 1 January 2023	–	1,983	1,983
Disposals/written-offs	–	(336)	(336)
Exchange alignment	–	(53)	(53)
At 31 December 2023 and 1 January 2024	–	1,594	1,594
Additions	–	53	53
Acquired on acquisition of subsidiaries (Note 31)	205,796	–	205,796
Exchange alignment	–	(54)	(54)
At 31 December 2024	205,796	1,593	207,389
Accumulated amortisation			
At 1 January 2023	–	323	323
Amortisation provided for the year	–	731	731
Disposals/written-offs	–	(336)	(336)
Exchange alignment	–	(13)	(13)
At 31 December 2023 and 1 January 2024	–	705	705
Amortisation provided for the year	–	311	311
Exchange alignment	–	(29)	(29)
At 31 December 2024	–	987	987
Net carrying amount			
At 31 December 2024	205,796	606	206,402
At 31 December 2023	–	889	889

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

As at 31 December 2024, mining rights were pledged to bank for loans granted to the Group (see Notes 26(a) and 36).

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 HKD'000	2023 HKD'000
Financial assets at fair value through other comprehensive income		
– Listed equity securities in Hong Kong	**162**	1,478

The above listed equity investments represent ordinary shares of an entity listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Information regarding the methods and assumptions used in determining the fair value of the financial assets is stated in Note 34(g)(i).

17. FINANCE LEASE RECEIVABLES

	2024 HKD'000	2023 HKD'000
Finance lease receivables	**29,871**	30,888
Less: Expected credit loss allowance	**(29,871)**	(30,888)
	–	–

At 31 December 2024 and 2023, the finance lease receivables are receivable within one year or on demand.

Notes:

(a) Certain machineries are leased out to one lessee under finance leases with initial lease terms of 24 to 48 months. Prior to the revision of lease contract as stated in Note 17(b), the interest rate inherent in the leases was fixed for the entire lease term and was ranging from 6.2% to 12% per annum.

Finance lease receivables are secured over the machineries leased. The Group is not permitted to sell or repledge the collateral in the absence of default by the lessee.

(b) During the year ended 31 December 2022, the Group entered into a finance lease receivable transfer arrangement (the "**Arrangement**") with the lessee. Under the Arrangement, the amount due from the lessee (representing all past due and future lease payments) of RMB25,122,000 (equivalent to HKD28,341,000) was transferred to an independent third party which the new repayment terms were revised as repayable on demand on a full recourse basis and the balance bears interest at the PRC Loan Prime Rate plus certain agreed premium rates until settlement. As the lessee has not transferred the significant obligations relating to these finance lease receivables, the full carrying amount of the receivables continues to be recognised as "finance lease receivables" in the Group's consolidated statement of financial position.

At 31 December 2024 and 2023, the original carrying value of the finance lease receivables and interest in full under the Arrangement have not been settled. Based on the management's best estimate, the entire balance of finance lease receivables is fully impaired due to the occurrence of unfavourable event.

Details of the Group's credit policy are set out in Note 34(a).

18. TRADE AND OTHER RECEIVABLES

	2024 HKD'000	2023 HKD'000
Trade receivables, net of ECL allowance	**415,631**	413,035
Other receivables, net of ECL allowance	**97,970**	78,476
	513,601	491,511
Deposits and prepayments	**54,761**	43,584
	568,362	535,095

Ageing analysis

The ageing analysis of trade receivables (net of ECL allowances) as at the end of the reporting period, based on invoice date, is as follows:

	2024 HKD'000	2023 HKD'000
Within 1 month	**2,429**	4,110
1 to 3 months	**3,025**	5,411
3 to 12 months	**341,717**	8,192
Over 12 months	**68,460**	395,322
	415,631	413,035

Details of the Group's credit policy are set out in Note 34(a).

19. IMPAIRMENT LOSS ON FINANCIAL ASSETS SUBJECT TO EXPECTED CREDIT LOSS MODEL

	2024 HKD'000	2023 HKD'000
Impairment loss recognised/(reversed) in respect of		
– trade receivables	**4,880**	60,090
– other receivables	**(32)**	(930)
– finance lease receivables	**–**	29,824
	4,848	88,984

The basis of determining the inputs and assumptions and the estimation techniques used in the consolidated financial statements are the same for both years.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HKD'000	2023 HKD'000
Held for trading investments stated at fair value		
– Listed equity securities in Hong Kong	**22**	57
– Listed equity securities in the PRC	**7**	–
	29	57

21. INVENTORIES

	2024 HKD'000	2023 HKD'000
Food and beverages	**1,426**	1,769
Materials	**14,355**	–
Iron ore concentrate and sailing sand	**5,367**	–
Auxiliary goods	**13,753**	–
	34,901	1,769

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents comprise:

	2024 HKD'000	2023 HKD'000
Cash and bank balances	**28,719**	85,362
Less: restricted cash	**(6,996)**	–
Cash and cash equivalents	**21,723**	85,362

Cash at banks earns interest of floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Restricted cash carries interest rates ranging from 0.1% to 0.35% and represents deposits for obligation of rehabilitation.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH *(Continued)*

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings HKD'000 (Note 26)	Lease liabilities HKD'000 (Note 27)	Total HKD'000
At 1 January 2024	367,308	14,264	381,572
Changes from financing cash flows:			
Proceeds from new loans	1,000	–	1,000
Repayment of loans	(7,091)	–	(7,091)
Capital element of lease rental paid	–	(2,987)	(2,987)
Interest element of lease rental paid	–	(718)	(718)
Interest paid	(1,944)	–	(1,944)
Total changes from financing cash flows	(8,035)	(3,705)	(11,740)
Exchange realignment	(12,176)	(428)	(12,604)
Other changes:			
Increase in borrowings arising from acquisition of subsidiaries (Note 31)	395,417	–	395,417
Increase in lease liabilities from entering into new leases during the year	–	3,820	3,820
Interest expenses (Note 5(a))	30,558	718	31,276
Change in interest payables	(28,385)	–	(28,385)
Total other changes	397,590	4,538	402,128
At 31 December 2024	744,687	14,669	759,356

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH *(Continued)*

(b) Reconciliation of liabilities arising from financing activities *(Continued)*

	Borrowings HKD'000 (Note 26)	Lease liabilities HKD'000 (Note 27)	Total HKD'000
At 1 January 2023	448,450	22,477	470,927
Changes from financing cash flows:			
Proceeds from new loans	1,105	–	1,105
Repayment of loans	(70,134)	–	(70,134)
Capital element of lease rental paid	–	(14,116)	(14,116)
Interest element of lease rental paid	–	(863)	(863)
Interest paid	(5,522)	–	(5,522)
Total changes from financing cash flows	(74,551)	(14,979)	(89,530)
Exchange realignment	(12,113)	(508)	(12,621)
Other changes:			
Increase in lease liabilities from lease modification	–	6,411	6,411
Repayment of interest payable set-off by trade receivables during the year	(5,690)	–	(5,690)
Interest expenses (Note 5(a))	23,908	863	24,771
Change in interest payables	(12,696)	–	(12,696)
Total other changes	5,522	7,274	12,796
At 31 December 2023	367,308	14,264	381,572

23. TRADE PAYABLES

	2024 HKD'000	2023 HKD'000
Trade payables	**194,450**	70,856

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

	2024 HKD'000	2023 HKD'000
Within 1 month	**38,023**	18,363
1 to 3 months	**31,766**	7,284
3 to 12 months	**58,514**	10,662
Over 12 months	**66,147**	34,547
	194,450	70,856

The credit period on purchase of goods is generally 30 days.

24. OTHER PAYABLES AND ACCRUED CHARGES

	2024 HKD'000	2023 HKD'000
Accruals		
– Accrued staff costs, welfare and benefits (including accrued directors' remunerations)	**9,871**	4,691
– Other accruals	**10,679**	6,202
Deposits received		
– Deposits for finance lease	**6,118**	6,327
– Rental deposits	**5,358**	6,077
– Sales deposits	**3,327**	4,497
– Other deposits	**11,449**	3,870
Other payables		
– Interest payables	**45,176**	16,791
– Rental expenses payables	**466**	1,168
– Other tax payables	**932**	303
Payables for leasehold improvements	**2,612**	9,765
Payables for acquisition of non-controlling interest (Note 33)	**–**	3,218
Advances received from a customer	**4,831**	12,460
Others	**844**	1,073
	101,663	76,442

25. CONTRACT LIABILITIES

When the Group receives a prepayment or a deposit from customers before supply or delivery of promised goods or services, which depends on the specific term of sales and concern of new customers, this will give rise to contract liabilities at the start of contract.

Movements in contract liabilities during the year are as follows:

	2024 HKD'000	2023 HKD'000
At 1 January	11,422	14,847
Revenue recognised during the year that was included in the contract liabilities at the beginning of the year	(11,422)	(14,847)
Increase due to cash received in advance before delivery of promised goods, excluding amounts recognised as revenue during the year	12,106	11,517
Arising from acquisition of subsidiaries (Note 31)	44,921	–
Exchange realignment	(255)	(95)
At 31 December	56,772	11,422

All of the contract liabilities are expected to be recognised as revenue within one year.

26. BORROWINGS

	2024 HKD'000	2023 HKD'000
Bank loans, secured (Note (a))	719,763	367,308
Other loan, secured (Note (b))	23,924	–
Other loan, unsecured (Note (b))	1,000	–
	744,687	367,308

26. BORROWINGS *(Continued)*

The maturity profile of borrowings, based on the scheduled repayment dates set out in relevant loan agreements, is as follows:

	2024 HKD'000	2023 HKD'000
Within 1 year	**490,321**	337,901
After 1 year but within 2 years	**248,446**	17,082
After 2 years but within 5 years	**5,920**	12,325
	744,687	367,308
Less: Amount due within one year or repayable on demand classified as current liabilities	**(490,321)**	(337,901)
Amount due for settlement after one year	**254,366**	29,407

Notes:

(a) Bank loans comprise Bank Loan 1, Bank Loan 2, Bank Loan 3, Bank Loan 4, Bank Loan 5 and Bank Loan 6.

Bank Loan 1 with principal amount of RMB17,958,000 (equivalent to HKD19,038,000) (2023: RMB24,007,000 (equivalent to HKD26,316,000)) is secured by certain investment properties of the Group (see Note 13) and is repayable by instalments up to 2027. Interest is charged at Prime rate of The People's Bank of China ("**PBOC**") plus 30% of PBOC Prime rate per annum.

Bank Loan 2 with principal amount of RMB279,000,000 (equivalent to HKD295,768,000) (2023: RMB279,000,000 (equivalent to HKD305,840,000)) is secured by corporate guarantee executed by the Company and its certain subsidiaries and certain properties owned by an independent third party. As at 31 December 2024 and 2023, the entire loan was defaulted and repayable on demand. Interest is charged at a fixed rate of 5.4% per annum. Details of the default was set out in Note 2(b) and the Group has been actively negotiating with the lender of Bank Loan 2 for renewal and extension for repayments of overdue borrowing.

Bank Loan 3 with principal amount of RMB22,567,000 (equivalent to HKD23,924,000) (2023: RMB22,567,000 (equivalent to HKD24,738,000)) is secured by certain properties owned by independent third parties. Interest is charged at a fixed rate of 6.5% per annum. Bank loan 3 was defaulted during the year ended 31 December 2023. During the year ended 31 December 2024, pursuant to a debt assignment agreement between the relevant bank (as an original lender) and assignee (the "**Assignee**"), the Bank Loan 3 was agreed to be assigned to the Assignee, an independent third party. Bank Loan 3 would be accordingly regarded as Other loan 1 below, which the terms of the loan remain unchanged except for the repayment term which is revised to be repayable on demand.

Bank Loan 4 with principal amount of RMB9,000,000 (equivalent to HKD9,540,000) (2023: RMB9,500,000 (equivalent to HKD10,414,000)) is secured by certain investment properties of the Group (see Note 13) and is repayable by instalments up to 2025. Interest is charged at a fixed rate of 5% per annum.

26. BORROWINGS *(Continued)*

Notes: *(Continued)*

(a) *(Continued)*

Bank Loan 5 with principal amount of RMB248,000,000 (equivalent to HKD262,905,000) is pledged with mining rights of the Group (see Note 15) and is repayable by instalments up to 2026. Interest is charged at 6.378% to 9.6% per annum.

Bank Loan 6 with principal amount of RMB125,000,000 (equivalent to HKD132,512,000) is secured by corporate guarantee executed by a related company of the Group and pledged with the shares of a subsidiary of Zongchuan Investment. Bank Loan 6 is repayable in December 2025 and interest is charged at 6.378% per annum. The related company is controlled by the director of certain subsidiaries of the Company.

(b) Other loan 1 with principal amount of RMB22,567,000 (equivalent to HKD23,924,000), which was secured by certain properties owned by independent third parties, is repayable on demand and interest-bearing at a fixed rate of 6.50% per annum.

Other loan 2 with principal amount of HKD1,000,000, which was obtained from an independent third party during the year, is unsecured and repayable within one year. Interest is charged at a fixed rate of 18% per annum.

27. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	2024 **HKD'000**	2023 HKD'000
Within 1 year	**2,979**	2,023
After 1 year but within 2 years	**3,307**	1,771
After 2 years but within 5 years	**6,608**	6,346
After 5 years	**1,775**	4,124
	14,669	14,264

The weighted average incremental borrowing rate applied to lease liabilities range from 3.73% to 4.90% (2023: 4.56% to 4.90%).

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Deferred tax (assets)/liabilities recognised

(i) *Movement of each component of deferred tax assets and liabilities*

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Fair value adjustments arising from acquisition of subsidiaries	Tax losses	Fair value changes of investments	Investment properties	Right-of-use assets	Lease liabilities	Total
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
At 1 January 2023	–	(6,452)	(57)	37,130	4,360	(4,360)	30,621
Exchange realignment	–	(329)	–	(1,044)	(131)	143	(1,361)
(Credited)/charged to profit or loss (Note 6(a))	–	2,334	(10)	(513)	866	651	3,328
At 31 December 2023 and 1 January 2024	–	(4,447)	(67)	35,573	5,095	(3,566)	32,588
Exchange realignment	–	788	–	(2,448)	(100)	160	(1,600)
(Credited)/charged to profit or loss (Note 6(a))	–	(1,354)	–	(2,308)	301	(591)	(3,952)
Acquisition of subsidiaries (Note 31)	50,130	–	–	–	–	–	50,130
At 31 December 2024	50,130	(5,013)	(67)	30,817	5,296	(3,997)	77,166

(ii) *Reconciliation to the consolidated statement of financial position*

	2024	2023
	HKD'000	HKD'000
Net deferred tax asset recognised in the consolidated statement of financial position	**(9,077)**	(8,080)
Net deferred tax liability recognised in the consolidated statement of financial position	**86,243**	40,668
	77,166	32,588

28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

(b) Deferred tax not recognised

As at 31 December 2024, the Group had not recognised deferred tax assets in respect of cumulative tax losses of approximately HKD97,498,000 (2023: HKD84,067,000) and other deductible temporary differences of HKD295,511,000 (2023: HKD168,672,000) as it is not probable that future taxable profits against which the losses and temporary differences can be utilised will be available in the relevant tax jurisdiction and entity. Of the total tax losses, under the current tax legislation of respective tax jurisdiction of the entities within the Group, amount of HKD12,526,000 (2023: HKD14,871,000) will expire within 5 years and the remaining tax losses of HKD84,973,000 (2023: HKD69,196,000) have no expiry date.

As at 31 December 2024, the Group has unrecognised deferred tax liabilities of HKD4,786,000 (2023: HKD8,060,000) in relation to withholding tax on undistributed profits of HKD95,726,000 (2023: HKD161,206,000) of the Group's subsidiaries in the PRC as the Group is in a position to control the dividend policy of these subsidiaries and no distribution of such profits is expected to be declared by them in the foreseeable future.

29. PROVISION FOR REHABILITATION

	2024 HKD'000	2023 HKD'000
At 1 January	–	–
Acquisition of subsidiaries (Note 31)	10,917	–
At 31 December	10,917	–

The provision for rehabilitation represents the estimated costs of decommission and rehabilitation of mines and processing sites of the mining projects to be carried out at the end of their producing lives.

The provision for rehabilitation costs have been estimated by the management based on current regulatory requirements and is discounted to present value. However, significant changes in the regulatory requirements, timing of performance of reclamation activities or discount rate will result in changes to the amount of provision from period to period. The discount rates used in the calculation of the provision as at 31 December 2024 was 9.6%.

30. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital HKD'000	Share premium HKD'000	Contributed surplus HKD'000	Accumulated losses HKD'000	Total HKD'000
At 1 January 2023	78,000	540,359	181,059	(306,639)	492,779
Changes in equity for the year ended 31 December 2023:					
Loss and total comprehensive loss for the year	–	–	–	(9,721)	(9,721)
Issue of ordinary shares, net of direct transaction cost (Note 30(c))	15,600	(929)	–	–	14,671
At 31 December 2023	93,600	539,430	181,059	(316,360)	497,729
At 1 January 2024	93,600	539,430	181,059	(316,360)	497,729
Changes in equity for the year ended 31 December 2024:					
Loss and total comprehensive loss for the year	–	–	–	(158,379)	(158,379)
Issue of ordinary shares, net of direct transaction cost (Note 30(c))	19,000	446,500	–	–	465,500
At 31 December 2024	112,600	985,930	181,059	(474,739)	804,850

30. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Dividend

The directors of the Company do not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

(c) Share capital

Authorised and issued share capital

	2024 No. of shares '000	2024 HKD'000	2023 No. of shares '000	2023 HKD'000
Authorised:				
At the beginning and end of the year	**10,000,000**	**200,000**	10,000,000	200,000
Ordinary shares, issued and fully paid:				
At the beginning of the year	**4,680,000**	**93,600**	3,900,000	78,000
Issue of shares	**950,000**	**19,000**	780,000	15,600
At the end of the year	**5,630,000**	**112,600**	4,680,000	93,600

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

On 31 December 2024, the Company issued 950,000,000 ordinary shares of HKD0.02 each under the sale and purchase agreement at a price of HKD0.336 (closing market price on 31 December 2024: HKD0.49) per ordinary share, equivalent to the purchase consideration of approximately HKD319,200,000 (adjusted purchase consideration of approximately HKD465,500,000), by way of share allotment for the acquisition of Zhongchuan Investment and its subsidiaries (Note 31).

On 1 December 2023, the Company issued 780,000,000 ordinary shares of HKD0.02 each under placing agreement to independent third parties at the placing price of HKD0.019 per share for a total cash consideration of approximately HKD14,820,000. Net proceeds of approximately HKD14,671,000, after deducting direct transaction costs, were received upon the completion of the issue of ordinary shares.

30. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(d) Nature and purpose of reserve

(i) Share premium

The application of the share premium account is governed by Bermuda Companies Act 1981 (as amended).

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries. The reserve is dealt with in accordance with the accounting policy set out in Note 2(v).

(iii) Contributed surplus

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time the reorganisation on 9 November 2001 and has been adjusted for the dividend declared from this reserve after 9 November 2001.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a Company is available for distribution. However, the Company cannot declare or pay dividend, or make a distribution out of the contributed surplus, if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than its liabilities.

(iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see Note 2(g)).

30. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group regularly reviews its capital structure on the basis of a gearing ratio computed as total debt over shareholders' fund. For this purpose, the Group defines total debts as total borrowings (which include interest-bearing borrowings and lease liabilities). Total shareholders' fund comprises all components of equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

31. ACQUISITION OF SUBSIDIARIES AND BUSINESS COMBINATION

On 29 February 2024, the Group entered into a sale and purchase agreement to acquire 100% issued shares of Zongchuan Investment from an independent third party by allotting and issuing 950,000,000 consideration shares at of the Company.

On 31 December 2024, the acquisition was completed, and the consideration was HKD465,500,000, determined using the quoted price of HKD0.49 per consideration share at the date of acquisition.

Upon the completion of the transaction, Zongchuan Investment has become a wholly-owned subsidiary of the Company and the consolidated financial statements of the Zongchuan Investment and its subsidiaries ("**Zongchuan Investment Group**") were therefore consolidated into the consolidated financial statements of the Company. Zongchuan Investment Group is principally engaged in iron ore mining and milling in the PRC. The primary reason for the above acquisition is to scale up its existing supply chain business under its current business development strategy. The iron ore industry, as an upstream industry in the value chain of the supply chain services provided by the Group, is closely associated with the Group's existing operations. Through the Acquisition, the Group will be able to vertically integrate iron ore and iron concentrate powder production and sale business.

31. ACQUISITION OF SUBSIDIARIES AND BUSINESS COMBINATION *(Continued)*

Fair value of identifiable assets and liabilities of Zongchuan Investment Group at the date of acquisition

	HKD'000
Assets	
Property, plant and equipment	581,480
Right-of-use assets	97,976
Intangible assets	205,796
Inventories	33,475
Trade and other receivables*	39,625
Restricted cash	6,996
Cash and cash equivalents	115
Liabilities	
Trade payables	(140,812)
Other payables	(12,944)
Contract liabilities	(44,921)
Borrowings	(395,417)
Provision for rehabilitation	(10,917)
Tax payables	(1,868)
Deferred tax liabilities	(50,130)
Fair value of net identifiable assets acquired	308,454
Non-controlling interests#	(10,426)
Net identifiable assets attributable to owner of the Group	298,028
Goodwill arising on acquisition	167,472
Total consideration	465,500

Net cash inflow arising on acquisition

	HKD'000
Cash and cash equivalents acquired	115

* The acquired receivables consider: (i) the fair value of the receivables; (ii) the gross contractual amounts receivable; and (iii) the best estimate at the acquisition date of the contractual cash flows not expected to be collected.

Non-controlling interests are measured at the non-controlling interests' proportionate share of fair value of the identifiable net assets of the acquired subsidiary.

31. ACQUISITION OF SUBSIDIARIES AND BUSINESS COMBINATION *(Continued)*

Net cash inflow arising on acquisition *(Continued)*

Goodwill arose from the factor caused by the significant increase in the closing price of the Company's shares during the period from the acquisition agreement date and acquisition date, details of which are explained in Note 14. Goodwill arising from the acquisition represents the control premium paid and the benefits of expected synergies, revenue growth, future market development to be achieved from the combination, and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Acquisition-related costs amounting to approximately HKD4,568,000 have been excluded from consideration transferred and have been recognised as an expense during the year, within the "administrative expense" line item in the consolidated statement of profit or loss and other comprehensive income.

The acquired business of Zongchuan Investment Group did not contribute any revenue or net profit or loss to the Group for the year ended 31 December 2024. Had the above acquisitions been effected at the beginning of the reporting period, the total amount of revenue of the Group for the year ended 31 December 2024 would have been approximately HKD888,832,000 and the amount of the loss for the year would have been approximately HKD331,568,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the reporting period, nor is it intended to be a projection of future results.

32. DISPOSAL OF SUBSIDIARIES

On 8 July 2024, the Group disposed of its 100% equity interest in Shenzhen Laihua Food Limited ("**Laihua Food**") ("**深圳萊華食品有限公司**") to an independent third party at a cash consideration of approximately HKD1,707,000.

The net assets of Laihua food at the date of disposal were as follows:

	Laihua Food HKD'000
Assets	
Trade and other receivables	2,424
Cash and cash equivalents	2
Liabilities	
Other payables and accruals	(918)
Net identifiable assets disposed of	1,508
Gain on disposal	199
	1,707
Satisfied by:	
Cash consideration	1,707
Net cash inflow arising on disposal	
Cash consideration	1,707
Cash and cash equivalents disposed of	(2)
	1,705

32. DISPOSAL OF SUBSIDIARIES *(Continued)*

On 14 November 2023, the Group disposed of its 100% equity interest in Shenzhen Laiyuexuan Catering Services Co., Limited ("**Laiyuexuan**") ("**深圳市萊粵軒餐飲服務有限公司**") to an independent third party at a cash consideration of approximately HKD389,000.

On 13 December 2023, the Group disposed of its 100% equity interest in Confield Worldwide Limited ("**Confield**") to an independent third party at a cash consideration of approximately HKD38,000,000.

The net assets of Laiquexuan and Confield at the date of disposal were as follows:

	Laiyuexuan HKD'000	**Confield** HKD'000	**Total** HKD'000
Assets			
Property, plant and equipment (Note 11)	–	62,003	62,003
Trade and other receivables	1,946	30	1,976
Cash and cash equivalents	4	–	4
Liabilities			
Other payables and accruals	(1,561)	(16)	(1,577)
Net identifiable assets	389	62,017	62,406
Loss on disposal	–	(24,017)	(24,017)
	389	38,000	38,389
Satisfied by:			
Cash consideration	389	38,000	38,389
Net cash inflow arising on disposal			
Cash consideration	389	38,000	38,389
Cash and cash equivalents disposed of	(4)	–	(4)
	385	38,000	38,385

33. CHANGES IN OWNERSHIP INTEREST IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

During the year ended 31 December 2023, the Group incorporated a new subsidiary, namely Shenzhen Jinyi Industrial Co., Limited ("**Shenzhen Jinyi**") ("深圳市金翊實業有限公司"), with another shareholder in which the Group held 67% equity interest. In December 2023, the Group acquired additional 33% of equity interest of Shenzhen Jinyi from another shareholder for a cash consideration of HKD3,218,000 which was settled during the year ended 31 December 2024. Upon the completion of the transaction, Shenzhen Jinyi became a wholly-own subsidiary of the Group.

The carrying amount of the non-controlling interests in Shenzhen Jinyi at the date of transaction was HKD3,218,000. As a result, the Group recognised a decrease in non-controlling interests of HKD3,218,000 during the year ended 31 December 2023.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, restricted cash, finance lease receivables, trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Cash and cash equivalents and restricted cash are normally placed at financial institutions that have sound credit rating.

Finance lease receivables

The Group applied a simplified approach to provide for expected credit losses prescribed by HKFRS 9 Financial Instruments, which permits the use of the lifetime expected credit loss provision for finance lease receivables. For customers who purchased the motor vehicles or machineries under finance lease arrangement, the Group has policies in place to review their credit worthiness and charged a market interest rate based on their credit worthiness. Management monitors the scheduled instalment pattern and credit worthiness of the customers closely. As at 31 December 2024 and 2023, all of the finance lease receivables were past due. Management, considered among other factors, analysed historical pattern and concluded that the expected credit loss allowance for finance lease receivables to be HKD29,871,000 (2023: HKD30,888,000) as at 31 December 2024.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(a) Credit risk *(Continued)*

Finance lease receivables (Continued)

Movements in the loss allowance account in respect of finance lease receivables during the year are as follows:

	2024 HKD'000	2023 HKD'000
At the beginning of the year	30,888	1,348
Provision for impairment loss	–	29,824
Exchange realignment	(1,017)	(284)
At the end of the year	29,871	30,888

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At 31 December 2024, the Group had a certain concentration of credit risk as 43% (2023: 68%) and 92% (2023: 92%) of the total trade receivables due from the Group's largest customer and the five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due from 0 to 365 days (2023: from 0 to 365 days) from the date of billing. Overdue balances are monitored tightly and regularly.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Trade receivables balances are assessed for impairment individually and/or collectively. For trade receivables balances being assessed for impairment individually, the management makes periodic individual assessment on the recoverability of trade receivables based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information. For trade receivables balances being assessed for impairment collectively, the management calculates the loss allowance using a provision matrix. The Group segments its trade receivables based on shared credit risk characteristics in supply chain business.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(a) Credit risk *(Continued)*

Trade receivables (Continued)

Supply chain business and property investment

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables calculated using the provision matrix:

	2024 Expected loss rate %	2024 Gross carrying amount HKD'000	2024 Loss allowance HKD'000
Current (not past due)	**2.05**	**177,191**	**(3,631)**
Less than 1 month past due	**1.44**	**208**	**(3)**
1 to 3 months past due	**12.67**	**137,789**	**(17,463)**
3 to 12 months past due	**13.83**	**58,188**	**(8,050)**
Over 12 months past due	**44.47**	**119,100**	**(52,967)**
		492,476	**(82,114)**

	2023 Expected loss rate %	2023 Gross carrying amount HKD'000	2023 Loss allowance HKD'000
Current (not past due)	0.30	3,949	(12)
Less than 1 month past due	8.42	736	(62)
1 to 3 months past due	7.95	981	(78)
3 to 12 months past due	14.38	439,407	(63,193)
Over 12 months past due	43.95	36,408	(16,000)
		481,481	(79,345)

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(a) Credit risk *(Continued)*

Trade receivables (Continued)

Hotel management, catering services, iron ore mining and milling business

The management makes periodic individual assessment on the recoverability of trade receivables due from hotel management, catering services, iron ore mining and milling based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information. As at 31 December 2024, trade receivables with gross carrying amount of HKD10,146,000 (2023: HKD16,568,000) were assessed individually.

Movements in the loss allowance account in respect of trade receivables during the year are as follows:

	Trade receivables assessed individually HKD'000	Trade receivables assessed collectively HKD'000	Total HKD'000
At 1 January 2023	2,558	23,539	26,097
Provision for impairment loss	3,209	56,881	60,090
Exchange realignment	(98)	(1,075)	(1,173)
At 31 December 2023 and 1 January 2024	5,669	79,345	85,014
(Reversal of)/provision for impairment loss	(618)	5,498	4,880
Exchange realignment	(174)	(2,729)	(2,903)
At 31 December 2024	4,877	82,114	86,991

Other receivables and deposits

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical observed default rates over the expected life of the other receivables and deposits and are adjusted for forward-looking information. The management believes that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECLs. As at 31 December 2024, the Group's cumulative expected credit loss for other receivables mainly originated from loss allowance for supply chain finance arrangements. For supply chain financing arrangements, the Group has developed a series of policies to mitigate credit risk, including obtaining security deposit and guarantee from an enterprise or individual, depending on the customers' credit status and credit risk degree. The management periodically evaluates the capability of the guarantor.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(a) Credit risk *(Continued)*

Other receivables and deposits (Continued)

Movements in the loss allowance account in respect of other receivables during the year are as follows:

	2024 HKD'000	2023 HKD'000
At the beginning of the year	**898**	1,930
Reversal of impairment loss	**(32)**	(930)
Exchange realignment	**(28)**	(102)
At the end of the year	**838**	898

(b) Liquidity risk

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

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	At 31 December 2024					At 31 December 2023				
	Within 1 year or on demand HKD'000	More than 1 year but less than 2 years HKD'000	More than 2 years HKD'000	Total contractual undiscounted cash flow HKD'000	Carrying amount HKD'000	Within 1 year or on demand HKD'000	More than 1 year but less than 2 years HKD'000	More than 2 years HKD'000	Total contractual undiscounted cash flow HKD'000	Carrying amount HKD'000
Trade payables	194,450	–	–	194,450	194,450	70,856	–	–	70,856	70,856
Other payables and accrued charges	101,663	–	–	101,663	101,663	76,442	–	–	76,442	76,442
Borrowings+	517,074	250,421	6,072	773,567	744,687	339,885	18,558	12,974	371,417	367,308
Lease liabilities	3,572	3,766	9,138	16,476	14,669	2,629	2,297	11,689	16,615	14,264
	816,759	254,187	15,210	1,086,156	1,055,469	489,812	20,855	24,663	535,330	528,870

\+ Borrowings with repayment on demand clause are classified as on demand in the above analysis although the demand clause has not been exercised.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits, finance lease receivables and borrowings. Bank deposits and borrowings are issued at variable rates and at fixed rates which would expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk.

(i) *Interest rate profile*

The Group's interest rate profile as monitored by management is set out below:

	At 31 December 2024 Effective interest rate %	At 31 December 2024 HKD'000	At 31 December 2023 Effective interest rate %	At 31 December 2023 HKD'000
Fixed rate financial instruments				
Finance lease receivables	N/A	29,871	9.13	30,888
Borrowings	8.69	(330,232)	5.83	(340,992)
Lease liabilities	4.96	(14,669)	2.35	(14,264)
Net exposure		(315,030)		(324,368)
Variable rate financial instruments				
Bank deposits	0.28	28,553	0.27	84,792
Borrowings	6.16	(414,455)	6.28	(26,316)
Net exposure		(385,902)		58,476

(ii) *Sensitivity analysis*

As at 31 December 2024, it is estimated that a general increase/decrease of 100 basis points (2023: 100 basis points) in interest rates, with all other variables held constant, would decrease/increase the Group's loss after tax by approximately HKD3,222,000 (2023: approximately HKD488,000).

At 31 December 2024 and 2023, the Group's financial instruments issued at fixed rate which expose the Group to fair value interest rate risk. Management of the Group considers the fair value exposure of the fixed rate financial instruments is insignificant to the Group.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis as 2023.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(d) Currency risk

The Group's business activities and its assets and liabilities were denominated in HKD and RMB. The management considers the Group is not exposed to significant foreign currency risk as most sales, income, purchases and expenses are denominated in the functional currency of the operations to which they relate. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as financial assets at FVOCI and FVPL (see Notes 16 and 20).

Management of the Group considers the exposure of equity price changes of equity investments classified as financial assets at FVOCI and FVPL is insignificant and accordingly no sensitivity analysis is presented.

(f) Categories of financial instruments

	2024 HKD'000	2023 HKD'000
Financial assets		
Financial assets at amortised cost	**555,359**	582,556
Financial assets at FVOCI	**162**	1,478
Financial assets at FVPL	**29**	57
	555,550	584,091
Financial liabilities		
Financial liabilities at amortised cost	**1,055,469**	528,870

(g) Fair value measurement

(i) *Financial assets and liabilities measured at fair value*

Fair value hierarchy

The following table represents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(Continued)*

(g) Fair value measurement *(Continued)*

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy *(Continued)*

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group's finance department which led by the Group's financial controller performs the valuations of financial assets required for financial reporting purposes. Discussions of valuation processes and results are held by the board members and Audit Committee at least twice every year, which is in line with the Group's reporting periods.

The following table presents the Group's assets that are measured at fair value at the end of the reporting periods:

	Fair value at 31 December 2024 HKD'000	Fair value measurements as at 31 December 2024 categorised into Level 1 HKD'000	Fair value at 31 December 2023 HKD'000	Fair value measurements as at 31 December 2023 categorised into Level 1 HKD'000
Recurring fair value measurements				
Assets:				
Financial assets measured at FVOCI				
– Listed equity securities	162	162	1,478	1,478
Financial assets measured at FVPL				
– Listed equity securities	29	29	57	57

During the year ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 for both reporting periods. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2024 and 2023.

35. FINANCIAL GUARANTEES ISSUED

The Company had issued corporate guarantees amounting to HKD296 million (2023: HKD306 million) to banks in connection with facilities granted to certain subsidiaries within the Group.

During the year ended 31 December 2024, there is a claim made against the Company and its certain subsidiaries due to the breach of loan agreements which was secured by corporate guarantee executed by the Company (see Note 41). The maximum liability of the Company at the end of the reporting period under the guarantees issued was the facilities drawn down by subsidiaries of HKD296 million (2023: HKD306 million).

36. PLEDGE OF ASSETS

As at 31 December 2024, certain investment properties of the Group with an aggregate carrying amount of approximately HKD178,472,000 (2023: approximately HKD194,921,000) and mining rights of the Group with carrying amount of approximately HKD205,796,000 (2023: nil) were pledged to banks for loans granted to the Group which are disclosed in Notes 13 and 15 respectively.

37. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 7 and the highest paid employees as disclosed in Note 8, is as follows:

	2024 **HKD'000**	2023 HKD'000
Salaries, allowances and other benefits	**4,288**	3,843
Contributions to defined contributions retirement plan	**149**	149
	4,437	3,992

Total remuneration is included in "Staff costs" (see Note 5(b)).

(b) Other related party transactions

The Group did not enter into other significant related party transactions during both years.

(c) Related party balances

At 31 December 2024, the Group does not have any balance dealt with its related party (2023: nil).

38. ACCOUNTING ESTIMATES AND JUDGEMENTS

The methods, estimates and judgements the directors used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements, on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

(a) Depreciation

The Group management determines the estimated useful lives and related depreciation charge for the property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of the property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of property, plant and equipment, right-of-use assets and intangible assets

In considering the impairment loss that may be required for certain property, plant and equipment, right-of-use assets and intangible assets, recoverable amount of the asset needs to be determined. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. The recoverable amount is the greater of its fair value less costs of disposal and the value in use. It is difficult to precisely estimate its fair value less costs of disposal because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.

An increase or decrease in the above impairment loss would affect the operating results in the year and future years.

38. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Impairment of goodwill

The Group tests annually whether goodwill have suffered any impairment in accordance with accounting policies stated in Note 2(k)(ii). The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell, whichever are higher. These calculations require the use of judgments and estimates. Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by the management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. Please refer to Note 14 for details.

(d) Valuation of investment properties

Investment properties are stated at fair value based on the valuations performed by independent qualified professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions including unobservable inputs. In relying on the valuation report, the directors of the Company have exercised their judgements and are satisfied that the assumptions used in the valuation are reflective of the current market conditions. Changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of gain or loss that would be recognised in profit or loss. Details of these are set out in Note 13.

(e) Provision of ECLs for trade and other receivables

Trade receivables is assessed for ECL individually and/or collectively. Where ECL is measured on a collective basis, the Group estimates ECL through groupings of various debtors that have similar loss patterns, after considering the historical loss rates experience, ageing of overdue debtors, customers' repayment history, customer's financial position and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Impairment loss on other receivables represent management's best estimate of losses incurred under ECL models. Management assesses whether the credit risk of other receivables have increased significantly since their initial recognition and apply a three-stage impairment model to calculate their ECL. The Group is required to exercise judgement in making assumptions and estimates when calculating impairment loss on other receivables, including historical loss experience on the basis of the relevant observable data that reflects current economic conditions, all of which involves significant management judgements and assumptions.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. The information about the ECLs and the Group's trade and other receivables are disclosed in Note 18 and Note 34(a). If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

38. ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(f) Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made for those identified obsolete and slow-moving inventories and inventories with a carrying amount higher than net realisable value. The assessment of the provision required involves management's judgement and estimates on which are influenced by assumptions concerning future sales and usage and judgements in determining the appropriate level of inventory provisions against identified surplus or obsolete items. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which such estimate has been changed. As at 31 December 2024, the carrying amount of inventories was approximately HKD34,901,000.

(g) Provision for rehabilitation

Environment rehabilitation obligations are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in the estimation of the costs. Environment rehabilitation obligations are subject to considerable uncertainty which affects the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to, mines and land development areas, whether operating, closed or sold, (ii) the extent of required clean-up efforts, (iii) varying cost of alternative remediation strategies, (iv) changes in environmental remediation requirements, and (v) the identification of new remediation sites. In addition, as prices and cost levels change from year to year, the estimate of environment liabilities also changes. Despite the inherent imprecision in these estimates, these estimates are used in assessing the provision for rehabilitation. The carrying amount of provision for rehabilitation at 31 December 2024 was approximately HKD10,917,000. More details are set out in Note 29.

39. SUBSIDIARIES

Particulars of the Company's principal subsidiaries at the end of the reporting periods are as follows:

Name of subsidiary	Place of incorporation/ registration	Particular of issued and paid up capital/ registered capital	Proportion of ownership interest held by the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Grand Mark Worldwide Limited	Hong Kong	1 share of HKD1 each	-	100%	-	100%	Money lending business and securities investment
Hua Tong Group Limited	British Virgin Islands	1 share of USD1 each	100%	-	100%	-	Investment holding
Marvel Innovator Investment Holdings Limited	Hong Kong	10,000 shares of HKD1 each	-	100%	-	100%	Securities investment
深圳金盛融資租賃有限公司#	The PRC	HKD100,000,000	100%	-	100%	-	Provision of leasing services
深圳金勝供應鏈有限公司#	The PRC	HKD100,000,000	-	100%	-	100%	Supply chain business
深圳金盛商業有限公司	The PRC	RMB60,000,000	-	100%	-	100%	Property investment
深圳金盛商業保理有限公司#	The PRC	HKD25,000,000	-	100%	-	100%	Provision of trade financing, accounts receivable management and debt collection services
萊華國際酒店有限公司#	The PRC	HKD65,000,000	-	100%	-	100%	Investment holding and hotel management
深圳萊華食品有限公司*	The PRC	RMB10,000,000	-	-	-	100%	Food manufacturing
北海萊麗酒店有限公司	The PRC	RMB50,000,000	-	100%	-	100%	Hotel management
深圳市粵江春餐飲管理有限公司	The PRC	RMB23,000,000	-	100%	-	100%	Catering services
深圳市金翊實業有限公司^	The PRC	RMB10,000,000	-	100%	-	100%	Supply chain business
浙江興洲企業管理有限公司@	The PRC	RMB10,000,000	-	100%	-	-	Investment holding
撫順興洲礦業有限公司@	The PRC	RMB30,000,000	-	96.62%	-	-	Iron ore mining and milling

Wholly foreign owned enterprise in the PRC.

@ These subsidiaries were acquired by the Group through acquisition of Zongchuan Investment during the year. Further details are set out in Note 31.

* These subsidiaries were disposed by the Group during the year. Further details are set out in Note 32.

^ This subsidiary was incorporated by the Group during the year ended 31 December 2023. Further details are set out in Note 33.

All subsidiaries operate principally in their respective places of incorporation or registration. None of the subsidiaries had issued any debt securities at the end of the year.

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HKD'000	2023 HKD'000
Non-current assets		
Investments in subsidiaries	416,386	100,010
Current assets		
Other receivables, prepayments and deposits	321	416
Amounts due from subsidiaries	548,950	538,018
Cash and cash equivalents	14	15,359
	549,285	553,793
Current liabilities		
Accrued charges	3,916	970
Amounts due to subsidiaries	156,905	155,104
	160,821	156,074
Net current assets	388,464	397,719
NET ASSETS	804,850	497,729
CAPITAL AND RESERVES (Note 30(a))		
Share capital	112,600	93,600
Reserves	692,250	404,129
TOTAL EQUITY	804,850	497,729

41. LITIGATION AND CLAIM

During the year ended 31 December 2023, one of the subsidiaries of the Group, Shenzhen Golden Flourish Supply Chain Limited defaulted on repayment of interest-bearing bank borrowing from Shenzhen Branch of Hua Xia Bank Co., Ltd ("**Hua Xia Bank**") with aggregate principal amount and related aggregate interest amount of approximately RMB294,300,000 (equivalent to approximately HKD322,612,000) as at 31 December 2023. During the year ended 31 December 2024, the Company and its certain subsidiaries (the "**Defendants**") received a legal claim filed by Hua Xia Bank in respect of breach of loan agreements. The Defendants therefore received a court notice from the Shenzhen Intermediate People's Court that Hua Xia Bank requesting the Shenzhen Golden Flourish Supply Chain Limited to:

(1) repay the total amount of principal, interests and compound interests of approximately RMB318,794,000 (equivalent to approximately HKD337,954,000) immediately;

(2) bear the legal costs of approximately RMB1,461,000 (equivalent to approximately HKD1,549,000) incurred by Hua Xia Bank; and

(3) bear the other litigation costs in relation to the abovementioned litigation.

In October 2024, the Group received a written civil ruling issued by the Intermediate People's Court of Shenzhen, Guangdong in connection with the legal proceedings instituted by the lender to recover the outstanding amounts under the loan agreements. Pursuant to the civil ruling, the Group shall repay the principal, corresponding default interests and compound interests in connection with the default.

In view of the legal claim, the relevant bank borrowings are classified as current liabilities as at 31 December 2024. As at the approval date of these consolidated financial statements, the Group is still in the process of negotiation with Hua Xia Bank for extending the repayment date. Apart from the above written civil ruling, there is no further legal action taken by the Hua Xia Bank or the Intermediate People's Court of Shenzhen, Guangdong.

42. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependant Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 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.

FIVE-YEAR FINANCIAL SUMMARY

RESULTS

	Year ended 31 December 2020 HKD'000	Year ended 31 December 2021 HKD'000	Year ended 31 December 2022 HKD'000	Year ended 31 December 2023 HKD'000	**Year ended 31 December 2024 HKD'000**
Continuing operations					
Revenue	3,003,249	2,125,223	726,536	422,492	**674,764**
Profit/(loss) from operations	70,877	47,703	15,025	(174,383)	**(201,321)**
Finance costs	(36,991)	(47,974)	(31,863)	(25,068)	**(31,276)**
Share of results of an associate	–	–	–	–	**–**
Profit/(loss) before taxation	33,886	(271)	(16,838)	(199,451)	**(232,597)**
Income tax (expense)/credit	(12,602)	(5,377)	2,577	(2,699)	**3,398**
Profit/(loss) for the year	21,284	(5,648)	(14,261)	(202,150)	**(229,199)**
Attributable to:					
Equity shareholders of the Company	21,284	(5,648)	(14,259)	(201,747)	**(229,199)**
Non-controlling interests	–	–	(2)	(403)	**–**
	21,284	(5,648)	(14,261)	(202,150)	**(229,199)**

ASSETS AND LIABILITIES

	At 31 December 2020 HKD'000	2021 HKD'000	2022 HKD'000	2023 HKD'000	**2024 HKD'000**
Total assets	1,859,777	1,551,859	1,327,807	948,240	**1,815,477**
Total liabilities	(1,328,988)	(905,443)	(758,884)	(580,986)	**(1,211,274)**
Net assets	530,789	646,416	568,923	367,254	**604,203**
Equity attributable to equity shareholders of the Company	530,787	646,414	568,923	367,254	**593,777**
Non-controlling interests	2	2	–	–	**10,426**
Total equity	530,789	646,416	568,923	367,254	**604,203**