



WORLD SUPER HOLDINGS LIMITED

維亮控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 8612

2024 ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Director(s)”) of World Super Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are found on bases and assumptions that are fair and reasonable.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

SOU Peng Kan Albert (*Chairman*)
LAU Lawrence Tak Sun
LIN Dongsheng
ZHANG Wei
CHAN Lok Yin
MIAO Yingjuan (*appointed on 30 December 2024*)
MA Kin Ling (*appointed on 12 March 2025*)

Independent Non-executive Directors

CHIM Tak Lai
DU Min
CHEN Jie (*resigned on 19 February 2025*)
LAW Kim Fai (*appointed on 21 February 2025*)

COMPLIANCE OFFICER

SOU Peng Kan Albert

AUTHORISED REPRESENTATIVES

SOU Peng Kan Albert
CHAN Lok Yin

COMPANY SECRETARY

CHAN Lok Yin

AUDIT COMMITTEE

CHEN Jie (*Chairman*) (*resigned on 19 February 2025*)
LAW Kim Fai (*Chairman*) (*appointed on 21 February 2025*)
CHIM Tak Lai
DU Min

REMUNERATION COMMITTEE

CHIM Tak Lai (*Chairman*)
SOU Peng Kan Albert
ZHANG Wei
DU Min
CHEN Jie (*resigned on 19 February 2025*)
LAW Kim Fai (*appointed on 21 February 2025*)
MA Kin Ling (*appointed on 12 March 2025*)

NOMINATION COMMITTEE

SOU Peng Kan Albert (*Chairman*)
LIN Dongsheng
CHIM Tak Lai
DU Min
CHEN Jie (*resigned on 19 February 2025*)
LAW Kim Fai (*appointed on 21 February 2025*)
MA Kin Ling (*appointed on 12 March 2025*)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 3403, 34/F., AIA Tower
183 Electric Road, North Point
Hong Kong

LEGAL ADVISER

Yick & Chan, Solicitors
Suite A1, 11/F, One Capital Place
18 Luard Road, Wanchai
Hong Kong

AUDITOR

McMillan Woods (Hong Kong) CPA Limited
24/F., Siu On Centre
188 Lockhart Road, Wan Chai
Hong Kong



CORPORATE INFORMATION

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Central
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

COMPANY WEBSITE

www.worldsuperhk.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
46/F., Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

STOCK CODE

8612

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$
				(Restated) (note)	(Restated) (note)
Continuing operations					
Revenue	16,206,839	23,088,446	16,341,937	30,380,967	54,452,178
Gross profit	1,977,697	3,601,886	5,081,335	17,524,090	17,119,047
Loss for the year	(28,695,979)	(36,727,040)	(33,228,690)	(21,510,769)	(14,329,772)
Discontinued operation					
Loss for the year	–	–	(286,750)	(10,352,600)	(422,532)
SUMMARY OF ASSETS AND LIABILITIES	Year ended 31 December				
	2024	2023	2022	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$
Total assets	31,005,261	50,600,043	102,098,974	153,925,994	181,553,076
Total liabilities	17,202,772	10,907,339	25,679,230	47,764,725	58,158,136
Net assets	13,802,489	39,692,704	76,419,744	106,161,269	123,394,940

Note: Due to the disposal of a subsidiary, Yummy Network Technology Company Limited ("Yummy Network"), completed on 29 April 2022, the comparative financial information for the years ended 31 December 2021 and 2020 of the Group has been restated to reflect the exclusion of financial information of the disposed subsidiary.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of board of directors (the "Board") of World Super Holdings Limited (together with its subsidiaries, the "Group"), I am pleased to present the audited consolidated results of the Group for the year ended 31 December 2024 to our shareholders and investors.

The Group recorded total revenue from continuing operations of approximately HK\$16.2 million for the year ended 31 December 2024, representing a decrease of approximately 30.0% or HK\$6.9 million from approximately HK\$23.1 million for the year ended 31 December 2023. The Group's loss for the year from continuing operation decreased from approximately HK\$36.7 million for the year ended 31 December 2023 to approximately HK\$28.7 million for the year ended 31 December 2024, which was mainly due to the net effect of increase of loss on disposal of plant and equipment, increase in impairment losses under expected credit loss model and administrative expenses, being partially compensated by the decrease of impairment loss on plant and equipment.

In 2024, after overcoming the challenges of the COVID-19 pandemic and under the influence of external uncertainties, China's economy maintained a steady recovery trend. The government implemented a number of policies to support economic growth and structural optimization. In an environment where the overall economic growth is slowing down, we still achieved growth in the number of customers.

BUSINESS REVIEW AND FINANCIAL PERFORMANCE

Hong Kong experienced a robust economic rebound when it opened its border in early 2024 with the lifting of anti-pandemic restrictive measures, Hong Kong's economy continued to revive during the year ended 31 December 2024 and has been on a path of recovery. The Group recorded revenue amounting of HK\$16.2 million for the year ended 31 December 2024, decreased by approximately HK\$6.9 million or 30.0% as compared with 2023.

FUTURE PROSPECTS

The Group aims to deliver a safe and reliable supply of construction machinery rental as well as the caring, competent and efficient services to customers; offer a grow and sustainable performance to shareholders; create extensive professional and personal development opportunities to employees; and contribute to the protection and improvement of the environment in the PRC. Looking forward, the Group is optimistic about the growth of number of construction tender along with Hong Kong. The Group believes that favourable government policies and industry trends in Hong Kong will foster the development of the rental services of construction sector and stimulate domestic demand for the construction machinery rental. The Group has been actively considering and exploring various business opportunities according to the market conditions with an aim to diversify the income sources and to enhance the shareholders' value.

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I would like to express my sincere thanks to all customers, business partners and investors for your support and trust, and to all colleagues, for your work in execution of the Group's strategies and operations.

Sou Peng Kan Albert

Chairman and Executive Director

Hong Kong, 2 June 2025

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCE PERFORMANCE

The Group recorded total revenue from continuing operations of approximately HK\$16.2 million for the year ended 31 December 2024, representing a decrease of approximately 30.0% or HK\$6.9 million from approximately HK\$23.1 million for the year ended 31 December 2023. The total gross profit from continuing operations of the Group was approximately HK\$2.0 million for the year ended 31 December 2024, representing a decrease of approximately 44.4% or HK\$1.6 million from approximately HK\$3.6 million for the year ended 31 December 2023. The gross profit margin of continuing operations decreased to approximately 12.3% for the year ended 31 December 2024.

The Group's loss for the year decreased from approximately HK\$36.7 million for the year ended 31 December 2023 to approximately HK\$28.7 million for the year ended 31 December 2024, which was mainly due to the effect of decrease in loss on disposal of plant and machinery and decrease in impairment losses under expected credit model, which outweighed the impact of the decline in gross profit; increase in impairment losses on plant and equipment; and increase in income tax expense.

Loss per share of the Group from continuing operations for the year ended 31 December 2024 was approximately 32.55 HK cents. The Directors do not recommend payment of a final dividend for the year ended 31 December 2024.

Update on business development

Save as disclosed in the section headed "Update on business development" in the "Management Discussion and Analysis" of the annual report of the Company for the year ended 31 December 2023 and the interim report of the Company for the period ended 30 June 2024, there is no further update on the business development during the year ended 31 December 2024 and up to the date of this report, except for provision of car rental business in Japan.

BUSINESS REVIEW

Our Group mainly undertakes (i) provision of rental services of crawler cranes, oscillators, a kind of bored piling machine working with drill-string to drill through the hard rock to the designated depth (the "RCD") and hydromill trench cutters for construction projects mainly in Hong Kong and/or Macau; (ii) trading of new or used crawler cranes, RCDs, trench cutters, oscillators and/or related spare parts to customers in Hong Kong and Macau; (iii) to a lesser extent, provision of transportation services in delivering our machinery to and from customers' designated sites and other services such as arrangement of set-up and repair of machinery for customers of our plant hire service, arrangement of insurance for customers of our plant hire service for projects outside Hong Kong and marketing of construction machinery for our machinery suppliers; (iv) provision of construction works which included foundation works and ancillary services; (v) provision of money lending services; and (vi) car rental services.

Plant hire

Our plant hire service mainly involves rental of crawler cranes, casing oscillators, RCDs and hydromill trench cutter to customers for the use in their construction projects. We source new construction machinery for our plant hire service mainly from German, Korean and Austrian manufacturers or their affiliates in Hong Kong, while our used construction machinery is sourced from local or overseas traders in countries such as China, Korea and Singapore. We also lease certain construction machinery from other construction machinery service providers for subleasing to our customers.

The plant hire income decreased from approximately HK\$9.9 million for the year ended 31 December 2023 to approximately HK\$5.3 million for the year ended 31 December 2024. The decrement is due to the decrease in plant hire income from owned rental fleet.



MANAGEMENT DISCUSSION AND ANALYSIS

General sales from trading of machinery, tools and parts

Our trading of construction machinery, tools and parts mainly involves sales of new or used crawler cranes, RCDs, trench cutters, casing oscillators and/or related spare parts, tools, or oil and lubricant to customers. In case the construction machinery or spare part required by our customers is not available in our rental fleet, or our customers request for new construction machinery, we will seek and check with our suppliers and acquire relevant construction machinery or spare part (if available) for our customers.

The general sales decreased from approximately HK\$4.0 million for the year ended 31 December 2023 to approximately HK\$0.8 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in trading of tools and parts.

Provision of transportation and other services

We provide transportation services in delivering our machinery to and from customers' designated sites and other services such as set-up and repair of machinery for customers of our plant hire service, arrangement of insurance for customers of our plant hire service for projects outside Hong Kong and marketing of construction machinery for our machinery suppliers.

The transportation and other services income decreased from approximately HK\$0.8 million for the year ended 31 December 2023 to approximately HK\$46,000 for the year ended 31 December 2024. The decrement was mainly due to less transportation and other service provided to customers.

Construction services

Construction services provided by us mainly include piling works and other ancillary services.

During the year ended 31 December 2024, HK\$7.7 million was generated from the construction services business (2023: HK\$8.0 million).

Money lending

As one of the business segments of the Group, its money lending business has been conducted through its wholly-owned subsidiary, World Super Capital Limited ("World Super Capital"), to grant loans to individuals and corporations and generates interest incomes from such loan facilities as revenue. The licensing of money lenders and regulation of money-lending transactions are governed by the Money Lenders Ordinance, Cap. 163 (the "MLO"). The Group is required to and has, at all times, strictly complied with all relevant laws and regulations including MLO. The Group has followed all forms and procedures prescribed under the provisions of the MLO when making relevant application for the renewal of Money Lender License and conducting our money lending business.

The money lending business of World Super Capital, is predominantly focused on short-term loans with a maturity period from 1 year, with the occasional slightly longer term of 1 year. The borrower clients of World Super Capital include companies incorporated in Hong Kong and are predominantly introduced to the Group on referral basis by the directors of World Super Capital. The interest rates of the loans advanced by World Super Capital to the borrowers are predominantly at fixed rates of 18% per annum, determined with reference to the market rates from time to time.

Credit assessment and loan collection policies

Before accepting any application from prospective borrowers seeking to obtain a loan from World Super Capital, certain credit assessment procedures are required to be complied with according to the internal policy of World Super Capital. Applicants wishing to borrow a loan from World Super Capital are required to complete a loan application form and provide the required loan application documents for verification and due diligence process. All loan applications are subject to credit review, anti-money laundering and counter-terrorist financing review and approval by the directors of World Super Capital. World Super Capital will conduct the credit assessment on the applicant with the information provided by the applicant or obtained through public search, which may include (but are not limited to): (i) conducting a check on background information provided by applicant against public search; (ii) obtaining and reviewing the latest financial information of the applicant for the latest financial year and applicable period, including sales breakdown by customers, material cashflow information and tax payment, etc.; (iii) obtaining and reviewing the details of bad and doubtful debts of the applicant for the latest financial year and applicable period (if any); (iv) conducting a litigation search and check for any unresolved or unsettled significant litigation against the applicant; (v) obtaining and reviewing the purchase contract(s) and order(s) of the applicant for which the loan is proposed to be drawn; and (vi) conducting asset evaluation on the applicants and/or its shareholders (if any).

The directors of World Super Capital will consider each loan application on a case-by-case basis and make reference to the result of credit assessment process together with the following factors to consider and approve the loan application, including: (i) the purpose, loan size, tenor, interest rate and other terms of the loan; (ii) the credit history of the applicant with World Super Capital; and (iii) the sufficiency of investments and assets held by the applicant in the People's Republic of China or Hong Kong showing financial capability of the applicant to repay the loan and consider whether any security and/or guarantee are required to be provided by the applicant. After the loan transactions are entered into, regularly reviews on the loan performance and overall risk profile will be conducted by World Super Capital of its loan portfolios.

Further, World Super Capital has in place loan collection and loan portfolio monitoring policies which are applicable to all loans granted or renewed by World Super Capital. Where any borrower has failed to make any repayment on the due date, the staff of World Super Capital will demand repayment from the borrower and pay a visit to the address of such borrower. If any borrower continues to fail to repay any amount due and owing to World Super Capital, legal advisers would be engaged to formally demand repayment from such borrower and the Company will consider taking further legal action as and when appropriate, subject to legal advice to be obtained from the legal advisers. All existing borrowers of World Super Capital have proven satisfactory track record on making timely repayment and no additional debt collection procedures were required to be taken by World Super Capital for the year ended 31 December 2024.

Loan impairment policy

The management of World Super Capital will prepare annual reports to the Board to inform them of the figures of overdue loans for the relevant year. As at the relevant balance sheet date, the Board will assess whether there are any indications of impairment on the loan receivables, and if so, perform an impairment test and determine the amount of impairment loss to be recognised.

In determining the expected credit loss ("ECL") for loan receivables, historical data are assessed together with other external information and are adjusted to reflect current and forward-looking information on macroeconomic factors. To ensure the adequacy of allowance for ECL on loan receivables, the Group engaged an independent firm of professional valuers to conduct a valuation on the allowance for ECL on loan receivables recognised for each financial year, and this impairment allowance was also cross-examined by auditor of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group applies the general approach under Hong Kong Financial Reporting Standard 9 (HKFRS 9), which is often referred to as the “three-stage model”, under which ECL of loan receivables are determined based on (a) the changes in credit quality of the loan receivables since initial recognition, and (b) the estimated expectation of economic loss of the loan receivable under consideration. Under the general approach, there are two measurement bases for allowance of ECL: (a) 12-month ECL, which is the ECL as a result of default events that are possible within 12 months after the reporting date and is calculated as the allowance for ECL on a loan receivable weighted by the probability of default events accumulated over the 12 months after the reporting date; (b) lifetime ECL, which is the ECL as a result of all possible default events over the expected life of a loan receivable and is calculated as the allowance for ECL on a loan receivable weighted by the probability of default event accumulated over the entire life of the loan receivable. The allowance for ECL on loan receivables is derived from gross credit exposure, recovery rate and probability of default.

The Board considers that the credit assessment policy in place, which is stringently complied with by World Super Capital prior to entering into any loan transactions with any prospective borrower(s), is effective and adequate in serving the purpose of assessing the potential benefits and risks of each prospective loan transaction of the Company. Thorough background check and due diligence are carried out by World Super Capital on the prospective borrowers and their business operations and financial conditions before any loan transactions are entered into. The Board also considers the loan collection and loan portfolio monitoring policies and loan impairment policy to be effective and adequate.

Loan portfolio as at 31 December 2024

As disclosed above, the Group’s loan portfolio includes individual borrowers and corporate borrowers. As at 31 December 2024, the Group had one outstanding loans amounting to total outstanding loan receivables (before allowance for credit losses) of HK\$2,488,000 (collectively, “Outstanding Loans” and each an “Outstanding Loan”) and allowance for credit losses on loan receivables amounting to approximately HK\$186,000 due by the borrower, of which was corporate borrower.

The maturity, interest rate and structure (i.e. with or without collateral) of the relevant loans were determined based on the commercial interest of the Group as a whole, with reference to, amongst others, (i) the risk level of the loan (including but not limited to the availability of collaterals and/or personal guarantees); (ii) the principal amount of the loan; and (iii) the financial condition of the borrower.

MANAGEMENT DISCUSSION AND ANALYSIS

The ageing analysis of loan receivables (before allowance for credit losses) based on initial loan commencement date as set out in the relevant contracts is as follows:

	As at 31 December 2024 HK\$'000
Over 1 year	2,488

The ageing analysis of loan receivables based on the maturity dates as set out in the relevant contracts is as follows:

	As at 31 December 2024 HK\$'000
Not yet due	–
Overdue	2,488
Total	2,488

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and its/her/his assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan. The Group has not adopted standard commercial terms for granting loan facilities to its clients, such commercial terms will depend on the credit assessment and/or collateral level of particular client. Where collaterals are required, such loans are generally secured by construction machinery or other assets as collaterals.

Under the Group's current credit policy, unless otherwise approved by the Board under special circumstances (i) no loan, whether secured or unsecured, shall be granted by the Group that exceeds the maximum loan amount preset by the Group, (ii) for secured loans, the loan to collateral value ratios shall not exceed 90% and the tenor shall not exceed 36 months, and (iii) for unsecured loans, they should meet the requirement that the debt to income ratio of a borrower shall not exceed 50% and the tenor shall not exceed 24 months.

The Group believes that the money lending business would extend the scope of the Group's existing business and diversify its business segment with a view to broaden the Group's revenue streams, enhance its profitability and achieve better return for the shareholders. During the year ended 31 December 2024, approximately HK\$0.8 million revenue generated from the money lending business (2023: HK\$420,000).



MANAGEMENT DISCUSSION AND ANALYSIS

Car rental services

Car rental service business was newly commenced during the year ended 31 December 2024, which generated a revenue of approximately HK\$1.5 million.

PROSPECT

In summary, the Company showcases a strong outlook bolstered by strategic investments in its rental business and favorable regulatory conditions. As it prepares for future growth in the construction sector, it continues to be an attractive choice for investors. Despite existing market challenges, the potential for revenue growth through machinery and car rental services indicates a promising path ahead. Moving forward, it will be essential for stakeholders to stay attentive to market dynamics and the Company's performance.

FINANCIAL OVERVIEW

Continuing operation

Revenue

The Group's revenue includes (i) plant hire income from leasing of construction machinery, general sales from trading of construction machinery, tools and parts, transportation and other services income; (ii) construction services income; (iii) interest income from money leading business; and (iv) car rental services business.

The Group's revenue decreased from approximately HK\$23.1 million for the year ended 31 December 2023 to approximately HK\$16.2 million for the year ended 31 December 2024, representing a decrease of approximately 30.0% which mainly due to the decrease of income generated from the segment of plant hiring services business.

Cost of sales and services

Cost of sales and services mainly include product purchases, wages, machinery rent paid and depreciation on plant and machinery. For the year ended 31 December 2024, the Group's cost of sales and services amounted to approximately HK\$14.2 million (2023: approximately HK\$19.5 million). The increase in cost of sales and services was mainly due to the decrease in costs of inventory sold incurred by the plant hiring services segment.

Gross profit and gross profit margin

The gross profit and gross profit margin of the Group were approximately HK\$2.0 million and approximately 12.3% for the year ended 31 December 2024, respectively.

Other income and gains or (losses)

Other income and gains or (losses) mainly represent the loss on disposal of plant and equipment, bank interest income and net exchange gain. The Group's other income and gains or (losses) decreased to approximately HK\$1.2 million for the year ended 31 December 2024 from approximately HK\$5.3 million for the year ended 31 December 2023, which was mainly due to the decrease in the loss on disposal of plant and equipment to approximately HK\$1.5 million for the year ended 31 December 2024 from approximately HK\$5.5 million for the year ended 31 December 2023.

Finance costs

Finance costs of the Group amounted to approximately HK\$0.4 million for the year ended 31 December 2024 (2023: approximately HK\$0.8 million). The decrease in finance costs was mainly due to the decrease in the Group's bank borrowing and obligation under finance lease.

Administrative expenses

Administrative expenses mainly include staff costs, short term operating lease rental in respects of rental premises, and listing-related expenses. For the year ended 31 December 2024, the Group's administrative expenses amounted to approximately HK\$21.0 million (2023: approximately HK\$19.9 million). The increase is mainly due to the increase in business promotion-related expense and staff cost.

Taxation

The Group's income tax expense increased to approximately HK\$7,658 for the year ended 31 December 2024 from tax credit of approximately HK\$2.2 million for the year ended 31 December 2023. The change was mainly because of the decreased in the timing difference in relation to the accelerated depreciation during the year ended 31 December 2024.

There is no China and Macau tax implication during both periods. China and Macau segment result is included in Hong Kong tax implication during both periods.

Loss for the Year

The Group's loss for the year decreased from approximately HK\$36.7 million for the year ended 31 December 2023 to approximately HK\$28.7 million for the year ended 31 December 2024, which was mainly due to the effect of decrease in loss on disposal of plant and machinery and decrease in impairment losses under expected credit model, which outweighed the impact of the decline in gross profit; increase in impairment losses on plant and equipment; and increase in income tax expense.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded its liquidity and capital requirements primarily through capital contributions from shareholders, bank borrowings, bank overdrafts, lease liabilities, obligations under finance leases, internally generated cash flow and proceeds received from the placing of the Company's shares.

As at 31 December 2024, the Group had bank balances and cash of approximately HK\$5.8 million (2023: approximately HK\$11.1 million) and pledged bank deposits of approximately HK\$Nil (2023: approximately HK\$1.5 million). The balance of bank balance and cash remains the same level.

MANAGEMENT DISCUSSION AND ANALYSIS

The interest-bearing loans of the Group as at 31 December 2024 was approximately HK\$1.5 million (2023: approximately HK\$4.9 million).

The scheduled repayment date of the Group's bank borrowings and obligation under finance lease amounting to approximately HK\$1.5 million (2023: HK\$4.9 million), as set out in the loan agreements and without considering the effect of any repayment on demand clauses were as follows:

	2024 HK\$	2023 HK\$
Within 1 year	1,504,378	2,483,795
Between 1 and 2 years	–	1,795,025
Between 2 and 5 years	–	622,370
	1,504,378	4,901,190

As at 31 December 2024 and 2023, the Group did not have any convertible bonds.

The gearing ratio is calculated based on the amount of total interest bearing loans divided by total equity. The gearing ratio of the Group as at 31 December 2024 was approximately 17.9% (2023: approximately 14.6%).

The capital structure of the Company comprises of equity interest attributable to the owners of the Company (including issued share capital and reserves). The Directors regularly review the capital structure of the Company. As part of the review, the Directors consider the cost of capital and the associated risks of various types of capital.

Trade receivable turnover days

The trade receivable increased from approximately HK\$1.6 million for the year ended 31 December 2023 to approximately HK\$2.5 million for the year ended 31 December 2024, while the trade receivable turnover days increased from approximately 143.0 days for the year ended 31 December 2023 to approximately 223.2 days for the year ended 31 December 2024. Our accounting and human resource department would monitor the trade receivable on a monthly basis and assess whether any bad debt should be provided based on the monthly trade receivable ageing report, which would be reviewed by our Directors. When overdue amount is located, our commercial and administrative department would contact customers for settlement.

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong, Macau and Japan and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars and Japanese Yen. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the period.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group did not have any significant capital commitments (2023: HK\$Nil).

CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have material contingent liabilities (2023: HK\$Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Group did not have the plans for material investments and capital assets acquisition.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 December 2024, the Group did not have other significant investments, material acquisitions and disposal of subsidiaries and affiliated companies during the year.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed 15 full-time employees (not including our Directors) and 2 part-time employees (2023: 15 full-time employees and 2 part-time employees). Our total staff cost (including directors emoluments, directors' quarters, wages, salaries and allowance, staff welfare and contributions to defined contribution retirement plan) for the years ended 31 December 2024 and 2023 amounted to approximately HK\$11.8 million and HK\$11.3 million respectively. Remuneration of employees is determined with reference to factors such as qualification, responsibility, contribution and experiences. The Company has adopted a share option scheme to reward the eligible participants for their contribution to the Group. The Group also provides internal training to our staff.

EVENT AFTER THE REPORTING PERIOD

The Group does not have material event after the reporting period.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. SOU Peng Kan Albert (former name: So Ping Kan) (蘇秉根) (“Mr. Sou”), aged 72, is our executive Director, our Chairman, our Chief Executive Officer, the chairman of the nomination committee of the Company (the “Nomination Committee”) and a member of the remuneration committee of the Company (the “Remuneration Committee”). Mr. Sou joined our Group when he became a director of World Super Limited upon its incorporation in July 1997. He was appointed as our Director on 26 February 2016 and was redesignated as an executive Director on 26 April 2017. He is primarily responsible for overseeing management and strategic planning and development of our Group’s business operations. Mr. Sou has over 30 years of experience in the construction machinery rental and construction equipment trading industry. Mr. Sou completed his secondary education at Colegio Diocesano de Sao Jose 2nd & 3rd Branch in Macau in 1967.

Mr. LAU Lawrence Tak Sun (劉德生) (“Mr. Lau”), age 45, was appointed as an executive Director on 30 December 2020. Mr. Lau has been the project manager of the Group since November 2020. Mr. Lau holds a bachelor’s degree in business administration from the School of Business Administration in Northeastern University in Boston Massachusetts in the United States in 2003. He has over 10 years of extensive experience in the real estate industry in Hong Kong and the People’s Republic of China (the “PRC”). Mr. Lau started his career in auditing and assurance at KPMG, an international audit firm where he mainly focused in the real estate sector in the PRC. Prior to joining our Group, Mr. Lau held senior management positions at Lai Sun Development Company Limited (the “Lai Sun Group”) from 2010 to 2018, during which he served as the vice president of Lai Sun Development Company Limited, a company listed on the Main Board of the Stock Exchange with stock code 488. Mr. Lau also served as the executive director of Furama Hotels and Resorts International Limited which is a wholly owned subsidiary of the Lai Sun Group.

Mr. LIN Dongsheng (林東升) (“Mr. Lin”), age 34, was appointed as an executive Director on 12 August 2022. Mr. Lin is a member of the Nomination Committee. Mr. Lin obtained a bachelor’s degree in environmental engineering from the Northwest Minzu University (西北民族大學) in the People’s Republic of China in June 2013 and a master of business administration from Linton University College in Malaysia in March 2021. Prior to joining the Group, Mr. Lin began his career as a general manager at Shenzhen Beifeng Investment Limited* (深圳貝豐投資有限公司), a company engaged in the business of trading precious metals, from September 2013 to June 2016, and subsequently worked as a general manager at Shenzhen Huayu Datong Network Technology Limited* (深圳華宇大通網絡科技有限公司), a company engaged in information technology from July 2016 to September 2018 and as a steel outfitting engineer at Lion Merge Construction Sdn. Bhd. from October 2019 to December 2021. From January 2022 to June 2022, Mr. Lin worked as a senior automation tester at Universe ID Sdn. Bhd.

Mr. ZHANG Wei (張偉) (“Mr. Zhang”) (Appointed on 23 June 2023), aged 39, is a member of the Remuneration Committee. Mr. Zhang obtained a bachelor’s degree in management from the Shihezi University* (石河子大學) in the People’s Republic of China in 30 June 2011. Prior to joining the Group, Mr. Zhang began his career as an assistant of chairman and investment manager at Kingya International Holding Group Company Limited* (今日國際控股集團有限公司), which engaged in the business of residential and commercial real estate development, from December 2010 to June 2013. He subsequently worked as a general manager at Sichuan Zhongbang Seeding Company Limited* (四川仲幫種業有限公司), a company engaged in the business of sales and production of agricultural seeds, from June 2013 to November 2016. Mr. Zhang worked as a general manager at Shenzhen Golden Time Trading Company Limited* (深圳市黃金時間貿易有限公司), a company engaged in the business of domestic trading in construction materials, machinery and commodities, from November 2016 to December 2018. He worked as a general manager of the Guangdong-Hong Kong-Macao Greater Bay Area at Hengyi Group Company Limited* (恆億集團有限公司), a company engaged in the business of real estate development and construction, from November 2018 to May 2021 and as a general manager at Shenzhen Huang Jin Ye Trading Company Limited* (深圳市黃金葉貿易有限公司), a company engaged in e-commerce, management consulting services, domestic trading and import and export of goods and technologies, from June 2021 to March 2023.

* For identification purpose only

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. CHAN Lok Yin (陳樂燕) (“Ms. Chan”) (Appointed on 30 June 2023), aged 40, obtained a Bachelor’s Degree of Accounting from the Edinburgh Napier University in the United Kingdom in 2008. She became a member of The Hong Kong Institute of Certified Public Accountants in July 2011, and an associate of The Chartered Governance Institute in September 2015.

Ms. Chan joined the Group on 2 May 2023 and has been serving as (i) the company secretary of the Company, (ii) an authorised representative of the Company under Rule 5.24 of the GEM Listing Rules and (iii) an authorised representative of the Company to accept service of process and notices on the Company’s behalf in Hong Kong as required under Rule 5.24 of the GEM Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Ms. Chan is also currently, holding the position as the director in two subsidiaries of the Company namely Success Dragon Holdings Limited and World Super Capital Limited respectively. Ms. Chan has accumulated over 10 years of auditing, accounting, corporate governance and company secretarial experience. Prior to joining the Group, she worked for a number of listed companies in Hong Kong, taking the positions of financial controller and/or company secretary. For the period from April 2008 to December 2011, Ms. Chan served in various audit firms in Hong Kong with her last position as an accountant.

Ms. Chan joined GSN Corporations Limited (formerly known as Megalogic Technology Holdings Limited, later known as New Western Group Limited and last known as GSN Corporations Limited (a listed public company in Hong Kong which was delisted on 4 May 2022)) (“GSN”) in April 2012. She first served as assistant to finance director and company secretary. During the periods from April 2014 to April 2016, October 2014 to April 2016, and August 2019 to December 2021, she was the joint company secretary and authorised representative of the GSN. At GSN, Ms. Chan was responsible for accounting and financial management, and company secretarial matters. Ms. Chan was also the company secretary of Pak Tak International Limited (Stock Code: 2668) during the period from August 2015 to April 2017, CHYY Development Group Limited (Stock Code: 8128) during the period from August 2022 to December 2022 and China Supply Chain Holdings Limited (Stock Code: 3708) during the period from October 2022 to June 2023. Ms. Chan was an independent non-executive director of Elife Holdings Limited (stock code: 223) during the period from 24 December 2024 to 11 March 2025. Ms. Chan is currently the company secretary of AMCO United Holding Limited (Stock Code: 630) and such appointment commenced in January 2023.

Ms. MIAO Yingjuan (繆穎娟) (“Ms. Miao”) (Appointed on 30 December 2024), aged 40, obtained a bachelor’s degree in finance and legal from the Beijing Normal University at Zhuhai (北京師範大學珠海分校) in 2008. She has over 15 years of extensive experience in the financial industry in the People’s Republic of China (the “PRC”). Ms. Miao started her career at Personal Finance Department of Zhuhai Rural Commercial Bank Company Limited (珠海農村商業銀行股份有限公司個人金融部) from July 2008 to January 2012. She then worked at Branch Operations Department of China Merchant Bank Zhuhai Branch (招商銀行珠海分行分行營業部) from January 2012 to June 2015, Wealth Management Centre of Private Banking Department of China Merchant Bank Shenzhen Branch (招商銀行深圳分行私人銀行部卓越財富管理中心) from June 2015 to June 2017 and Shenzhen Shandao Investment Management Co. Ltd. (深圳市善道投資管理有限公司) from October 2017 to April 2020 respectively. From May 2020, she is the Risk Control Director of Guangdong Bozhou Securities Investment Fund Management Limited (廣東柏舟證券投資基金管理有限公司).

Mr. MA Kin Ling (馬健凌) (“Mr. Ma”), aged 43, was appointed as our independent non-executive Director on 12 March 2025. Mr. Ma is a member of each of the Nomination Committee and Remuneration Committee. He holds various positions in companies listed on the Main Board of the Stock Exchange. He is currently an independent non-executive director of SunCorp Technologies Limited (stock code: 1063) and Wenye Group Holdings Limited (stock code: 1802). Mr. Ma was also an independent non-executive director of Wisdom Wealth Resources Investment Holding Group Limited (stock code: 7) during the period from 10 May 2019 to 11 July 2024 and an independent non-executive director of Elife Holdings Limited (stock code: 223) during the period from 24 December 2024 to 11 March 2025.

Mr. Ma is a member of the Hong Kong Institute of Certified Public Accountants. He graduated from City University of Hong Kong with a Bachelor degree of Business Administration (Honours) in Accountancy and Law. Prior to the joining the Group, he was the chief financial officer and company secretary of China Zenith Chemical Group Limited (stock code: 362) during the period from 6 May 2016 to 31 December 2024.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHIM Tak Lai (詹德禮) (“Mr. Chim”), aged 42, was appointed as our independent non-executive Director on 23 February 2022. Mr. Chim is the chairman of the Remuneration Committee and a member of each of the audit committee of the Company (the “Audit Committee”) and the Nomination Committee. Mr. Chim obtained a bachelor of art degree in business economics from the University of Hertfordshire in 2006. From January 2012 to March 2016, Mr. Chim worked as an accounting and operating manager in Modern Audio (International) Limited, a company principally engaged in trading, wholesale, retail and distributing video products and copyright licensing. Mr. Chim joined Imperium Financial Group Limited (the “Imperium Financial”) which is listed on the GEM of the Stock Exchange (stock code: 8029) as senior accountant in March 2016. Since September 2020, Mr. Chim is the financial controller of the Imperium Financial and his primary responsibilities are to oversee all financial accounting operations, including group reporting, budgeting, audit, treasury function, consolidation and financial reporting. Mr. Chim has been an executive director of the Imperium Financial since May 2021 to now. Since December 2023, Mr. Chim is appointed as the CFO of the Winto Group (Holdings) Limited (stock code: 8238) and his primary responsibilities are to oversee all financial accounting operations, including group reporting, budgeting, audit, treasury function, consolidation and financial reporting.

Ms. DU Min (杜敏) (“Ms. Du”) (Appointed on 3 August 2023), aged 51, is a member of each of the Audit Committee, Nomination Committee and Remuneration Committee. Ms. Du obtained a Bachelor of International Trade from Anhui University in 1997 and a Master of Business Administration from Hong Kong Metropolitan University in 2022. Ms. Du has rich experience in corporate management and financial management. Since 2013, Ms. Du is the executive director and general manager of Anhui Quanwei IOT Technology Co., Ltd., a company incorporated in China. Prior to that, Ms. Du was the financial controller or financial in-charge of certain companies incorporated in China. Ms. Du was the non-executive director of Tian Cheng Holdings Limited (Stock Code: 2110) during the period from 14 February 2023 to 31 July 2023.

Mr. LAW Kim Fai (羅劍輝) (“Mr. Law”), aged 53, was appointed as our independent non-executive Director on 21 February 2025. Has extensive working experience in accounting and company secretarial matters in a number of listed companies in Hong Kong, and he has held positions such as qualified accountant, company secretary, authorised representative and/or finance director in a number of companies whose shares were listed on the Stock Exchange. Mr. Law is currently serving as an executive director, the chief financial officer and the company secretary of IVD Medical Holding Limited (stock code: 1931), the shares of which are listed on the Main Board of the Stock Exchange.

Mr. Law obtained a Bachelor of Business in Business Administration from the Royal Melbourne Institute of Technology in Australia in April 1994 and a Master of Business Administration (Electronic Commerce) from Charles Sturt University in Australia in November 2002. Mr. Law is a fellow member of the Hong Kong Institute of Certified Public Accountants, and a member of the Hong Kong Chartered Governance Institute, a member of the Chartered Governance Institute in the United Kingdom and a fellow member of Association of International Accountants.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

CHANGE IN DIRECTORS' INFORMATION

Upon specific enquiry by the Company and following confirmations from Directors, save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the Company's last interim report.



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. The Directors of the Company consider that the Company has adopted and complied with the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance and reviewing the Company’s compliance with the code provision in the CG Code, during the year ended 31 December 2024 and up to the date of this report except for the derivations as disclosed below.

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Sou Peng Kan Albert is currently the chairman of the Board and the CEO of the Company. The Board believes that vesting the roles of both Chairman and CEO in the same person provides the Group with strong and consistent leadership, allows for more effective planning and execution of long term business strategies and enhances efficiency in decision-making in response to the changing environment. Our Board believes that the balance of power and authority under this arrangement will not be impaired and is adequately ensured by the ten-member composition of our Board, including seven executive Directors and three independent non-executive Directors. Further, the Audit Committee has free and direct access to the Company’s external auditors and independent professional advisers when it considers necessary. Therefore, the Directors consider that the deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

In respect of code provision D.1.2 of the CG Code, the Company did not provide all members of the Board with monthly updates. However, the Company has based on business situation, provided to the Board from time to time, updated business information to enable the Board as a whole and each Director to discharge their duties. The Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are sufficient for the Board to discharge its duties. In the event if there are any significant updates, the Company will update all the Directors as early as practicable for discussion and resolution.

Under the Code Provision F.1.1, the Company should have a policy on payment of dividends and should disclose it in its annual report. The Company does not have a dividend policy and the Board will decide on the declaration/recommendation of any future dividends after taking into consideration a number of factors, including the prevailing market conditions, the Group’s operating results, business plans and prospects, financial position and working capital requirements, and other factors that the Board considers relevant.

The Company will continue to review its corporate governance practices in order to enhance its corporate governance standard, comply with regulatory requirements and meet the growing expectations of shareholders and investors.

CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors which is on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry, all the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding Director's securities transactions throughout the year ended 31 December 2024.

Pursuant to Rule 5.66 of the GEM Listing Rule, the Directors have also requested any employee of the Company or director or employee of a subsidiary of the Company who, because of his/her office or employment in the Company or a subsidiary, is likely to possess inside information in relation to the securities of the Company not to deal in securities of the Company when he/she would be prohibited from dealing by the code of conduct as if he/she was a Director.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the Directors and officers of the Company.

BOARD OF DIRECTORS

The Company is governed by the board of Directors which has the responsibility for leadership and monitoring of the Company. The Directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. As at the date of this report, the Board comprises ten Directors of which seven are executive Directors and three are independent non-executive Directors.

The Board sets strategies and directions for the Group's activities with a view to developing its business and enhancing shareholders' value. The Board has delegated the daily operation and day-to-day management of the Group as well as the implementation of the Board's policies and strategies to the executive Directors and management of the Group.

All Directors carry out their duties in good faith and in compliance with applicable laws and regulations, making decisions objectively and acting in the interests of the Company and its shareholders at all times. The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

There is no relationship, including financial, business, family or other material/relevant relationship(s) between members of the Board.

The Group will continue to update the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices.

CORPORATE GOVERNANCE REPORT

The Board's composition during the year ended 31 December 2024 and up to the date of this report is as follows:

Executive Directors

SOU Peng Kan Albert (*Chairman*)

LAU Lawrence Tak Sun

LIN Dongsheng

ZHANG Wei

CHAN Lok Yin

MIAO Yingjuan (*appointed on 30 December 2024*)

MA Kin Ling (*appointed on 12 March 2025*)

Independent Non-executive Directors

CHIM Tak Lai

DU Min

CHEN Jie (*resigned on 19 February 2025*)

LAW Kim Fai (*appointed on 21 February 2025*)

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is accountable to the shareholders for the strategic development of the Group with the goal of maximising long-term shareholder value, while balancing broader stakeholder interests.

Biographical details of the Directors are set out in the section of "Biographical Details of Directors and Senior Management" on pages 16 to 19. Mr. Sou Peng Kan Albert is currently the chairman of the Board and the CEO of the Company. Save as disclosed, there are no relationship (including financial, business, family or other material/relevant relationships) among members of the Board and in particular, between the chairman and the chief executive.

ROLE AND FUNCTION OF THE BOARD AND THE MANAGEMENT

The Company has set out the respective functions and responsibilities which can be reserved to the Board and delegated to management or Board committees. The Board delegates day-to-day operations of the Group to management while reserving certain key matters, mainly relating to the approval and monitoring of the Group's overall strategies, policies and business plans; and overseeing and evaluating the performance of the Group. It is also responsible for promoting the success of the Group and its businesses by directing and supervising the Group's affairs. Board committees for specific functions are also set up to ensure efficient Board operations. The composition and functions of each Board committee and their major roles and function are described below. The final decision still rests with the Board unless otherwise provided for in the terms of reference of the relevant committees.

BOARD DIVERSITY POLICY

The Company recognises the importance of diversity at the Board in contributing to the quality of performance of the Company. The Board has adopted a board diversity policy (the "Board Diversity Policy"). In designing the Board composition, the Company takes into account a number of measurable factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional specialisation, experience, skills, knowledge and other qualifications. Appointment of Directors is solely based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board. The Board sets measurable objectives to implement the Board Diversity Policy and reviews such objectives from time to time.

Measurable objectives

Where vacancies exist on the Board, candidates are proposed and put forward to the Nomination Committee for consideration. The recommendations of the Nomination Committee will then be tendered to the Board for approval. In considering the nomination of a new Director, the Nomination Committee will give adequate consideration to the Board Diversity Policy which takes into account professional experience and qualifications, gender, age, cultural and educational background, working experiences, professional ethics and any other factors that the Board might consider relevant and applicable from time to time towards achieving board diversity. Equality of opportunity in all aspects of the Company's business is much emphasised by the Company and Board appointments will continue to be made on a merit basis.

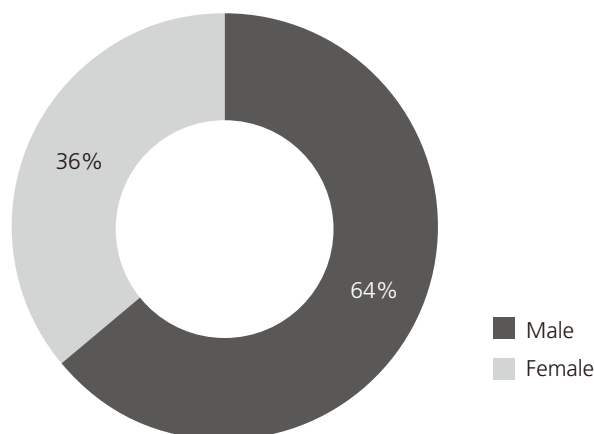
Gender diversity

Board composition

The Board believes that gender diversity is a manifestation of board diversity, among all other measurable objectives. For the year ended 31 December 2024, the Board comprises one female director and six male directors. The Company will continue to apply the principle of appointments based on merits with reference to the Board Diversity Policy as a whole. Under the revised Rule 17.104 of the GEM Listing Rules that came into effect on 1 January 2022, a single gender Board will not be considered by the Stock Exchange to have achieved board diversity. The Company has complied with this new requirement during the year ended 31 December 2024.

The Group recognises the importance of diversity and has a diverse workforce in terms of gender, providing a variety of ideas and levels of competency that contribute to the Group's success. In the hiring process, the Company takes into account a number of measurable factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional specialisation, experience, skills, knowledge and other qualifications. Appointment of candidates is solely based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Group. Analysis of workforce of the Group is set out below:

Gender Distribution



Overall, the Board considers the recruitment strategy adopted by the Group is effective and adequate. In determining the independence of Directors, the Board follows the requirements as set out in the GEM Listing Rules.

DIRECTORS' ATTENDANCE AT BOARD MEETINGS AND GENERAL MEETINGS

During the year ended 31 December 2024, the Board held ten board meetings and the attendance of each director is set out as follows:

	Number of Board meetings attended/held
Executive Directors	
SOU Peng Kan Albert (<i>Chairman</i>)	2/10
LAU Lawrence Tak Sun	3/10
LIN Dongsheng	3/10
ZHANG Wei	9/10
CHAN Lok Yin	10/10
MIAO Yingjuan	0/0
Independent Non-executive Directors	
CHIM Tak Lai	9/10
DU Min	4/10
CHEN Jie	4/10

During the year ended 31 December 2024, the Company held an annual general meeting (the "AGM") of the shareholders on 28 June 2024 and except Mr. Sou Peng Kan Albert, all the then Directors attended the AGM either in person or by electronic means.

The Company held an extraordinary general meeting (the "2024 EGM") of the shareholders on 22 November 2024. Mr. Zhang Wei, Ms. Chan Lok Yin, Mr. Chim Tak Lai and Ms. Chen Jie attended the 2024 EGM either in person or by electronic means. Other than Directors were unable to attend the 2024 EGM due to other business commitment.

APPOINTMENT AND RE-ELECTION OF THE DIRECTORS

Each of the executive Director has entered into a service contract with the Company with an initial term of three years, subject to renewal by the Company. The independent non-executive Directors have entered into a service contract with the Company with an initial term of one year, subject to renewal by the Company.

By virtue of the articles of association of the Company, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition Director but the number of Directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office until the first general meeting of shareholders after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

In accordance with the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office.

Ms. Miao Yingjuan who was appointed as an executive Director on 30 December 2024 as an additional Director, will hold office until the 2025 AGM and, being eligible, will offer herself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association. Ms. MIAO Yingjuan obtained legal advice referred to in rule 5.02D of the GEM Listing Rules on 30 December 2024 and confirmed that she understood her obligations as a director of the Company.

Mr. Law Kim Fai who was appointed as an independent non-executive Director on 21 February 2025 to fill the casual vacancy arising from the resignation of Ms. Chen Jie, will hold office until the 2025 AGM and, being eligible, will offer himself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association.

Mr. Ma Kin Ling who was appointed as an executive Director on 12 March 2025 as an additional Director, will hold office until the 2025 AGM and, being eligible, will offer himself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association.

In accordance with article 84(1) of the Articles of Association, Mr. Sou Peng Kan Albert, Mr. Lau Lawrence Tak Sun and Mr. Lin Dongsheng will retire from office by rotation at the 2025 AGM, being eligible, will offer themselves for re-election at the 2025 AGM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are persons with relevant academic and professional qualifications. They advise the Company on strategic development, which enables the Board to maintain high standards of compliance with financial and other regulatory requirements. They have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all independent non-executive Directors will continue to make various contribution to the Company. In compliance with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has three independent non-executive Directors, representing more than one-third of the Board and with at least one of whom having appropriate professional qualifications, or accounting or related financial management expertise. Prior to their respective appointment, each of the independent non-executive Directors has submitted a written statement to the Stock Exchange confirming their independence. The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Board considers that all the independent non-executive Directors to be independent and meet the requirements set out in Rule 5.09 of the GEM Listing Rules as at the date of this report. During the year, Mr. Sou had held a meeting with the independent non-executive Directors without the presence of other Directors.

Following the resignation of Ms. Chen Jie on 19 February 2025, the Company has failed to fulfill:

- (i) the minimum number of independent non-executive Directors as required under Rule 5.05(1) of the GEM Listing Rules;
- (ii) at least one independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules; and
- (iii) the number of independent non-executive Directors representing at least one-third of the Board as required under Rule 5.05A of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

The Company has re-complied with the above requirements after the appointment of Mr. Law Kim Fai on 21 February 2025.

Following the appointment of Mr. Ma Kin Ling on 12 March 2025, the Company has failed to fulfill the number of independent non-executive Directors representing at least one-third of the Board as required under Rule 5.05A of the GEM Listing Rules. The Company is in the process of identifying a suitable candidate for appointment as additional independent non-executive Director to ensure re-compliance with the relevant rule as soon as possible and in any event within three months from the date of this appointment of Mr. Ma Kin Ling.

DIRECTORS' PARTICIPATION IN CONTINUOUS PROFESSIONAL TRAININGS

During the year, the Directors received from the Company from time to time the updates on laws, rules and regulations which might be relevant to their roles, duties and functions as a director of a listed company. All Directors have been updated with the latest developments regarding the GEM Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefings and professional development to Directors will be arranged whenever necessary.

For the year ended 31 December 2024, all Directors participated in continuing professional development regarding their duties and responsibilities as a director of a listed company which included reading materials and/or attending training courses.

The Directors received the following training for the year ended 31 December 2024 according to the records provided by Directors:

	Updates on laws, rules and regulations/ management and other professional skills and self-reading
Executive Directors	
SOU Peng Kan Albert (<i>Chairman</i>)	✓
LAU Lawrence Tak Sun	✓
LIN Dongsheng	✓
ZHANG Wei	✓
CHAN Lok Yin	✓
MIAO Yingjuan (<i>appointed on 30 December 2024</i>)	✓
Independent Non-executive Directors	
CHIM Tak Lai	✓
DU Min	✓
CHEN Jie	✓

AUDIT COMMITTEE

The Company established an Audit Committee pursuant to a resolution of the Directors passed on 21 June 2019. Written terms of reference in compliance with the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The primary duties of our Audit Committee are (i) to review and monitor the independent and objective role of the external auditor to our Company; (ii) to make recommendations to our Board on the appointment and removal of the external auditor; (iii) to review the financial statement and material advice in respect of financial reporting process of our Group; (iv) oversee the risk management and internal control systems of our Group; and (v) to monitor any continuing connected transactions.

The Audit Committee currently consists of all three independent non-executive Directors, Mr. Chim Tak Lai, Ms. Du Min and Mr. Law Kim Fai. Mr. Law Kim Fai is the chairman of the Audit Committee. Following the resignation of Ms. Chen Jie on 19 February 2025, the Company has failed to fulfill the minimum number of members of the audit committee of the Board and the chairman of which must be an independent non-executive Director as required under Rule 5.28 of the GEM Listing Rules. The Company has re-complied with the above requirements after the appointment of Mr. Law Kim Fai on 21 February 2025. Save as the above, during the year ended 31 December 2024 and up to the date of this report, the Company has complied with the required standards as set out in Rule 5.28 of the GEM Listing Rules. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group, and discussing auditing, internal control, risk management, the effectiveness of the internal audit function and financial reporting matters including the review of annual results and financial statements during the year.

During the year ended 31 December 2024, the Audit Committee reviewed with the management or the auditors of the Company, among other things, (i) the audit findings; (ii) the accounting principles and practices adopted by the Company; (iii) financial reporting matters (including quarterly, half-yearly and annual results); and recommended to the Board the re-appointment of the external auditor at the annual general meeting of the Company. The audited consolidated results of the Group for the year ended 31 December 2023 have been reviewed by the Audit Committee.

Two Audit Committee meetings were held during the year ended 31 December 2024. The attendance was as follows:

	Number of meetings attended/held
CHEN Jie (<i>Chairman</i>)	2/2
CHIM Tak Lai	2/2
DU Min	2/2

REMUNERATION COMMITTEE

The Company established a Remuneration Committee pursuant to a resolution of the Directors passed on 21 June 2019. Written terms of reference in compliance with the CG Code as set out in Appendix C1 to the GEM Listing Rules has been adopted. Such terms of reference were amended on 6 February 2023. The primary duties of our Remuneration Committee include but are not limited to (i) the formulation and the recommendation to the Board on our Company's policies and structures for the remuneration of all of our Directors and senior management of our Company; (ii) the establishment of a formal and transparent procedure for developing policy on remuneration; (iii) make recommendations to the Board on remuneration packages of all Directors and senior management in the manner specified in the terms of reference; (iv) review and approval of performance based remuneration; and (v) review and recommendation to our shareholders as to the fairness and reasonableness of the terms of any Director's service agreement which is subject to the prior approval of our shareholders in any general meeting pursuant to the GEM Listing Rules.

The Remuneration Committee consists of three executive Directors, Mr. Sou Peng Kan Albert, Mr. Zhang Wei and Mr. Ma Kin Ling, and three independent non-executive Directors, Mr. Chim Tak Lai, Ms. Du Min and Mr. Law Kim Fai. Mr. Chim Tak Lai is the chairman of the Remuneration Committee. Following the appointment of Mr. Ma Kin Ling on 12 March 2025, the Company has failed to fulfill the Remuneration Committee comprising a majority of the independent non-executive Directors as required under Rule 5.34 of the GEM Listing Rules. The Company is in the process of identifying a suitable candidate for appointment as additional independent non-executive Director to ensure re-compliance with the relevant rule as soon as possible and in any event within three months from the date of this appointment of Mr. Ma Kin Ling. Save as the above, during the year ended 31 December 2024 and up to the date of this report, the Company has complied with the required standards as set out in Rule 5.34 of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

During the year ended 31 December 2024, two Remuneration Committee meetings were held which, amongst other matters, made recommendations to the Board on the remuneration packages to Director and senior management, assessed performance of executive Directors and approved the terms of executive Directors' service contracts. The attendance was as follow:

	Number of meetings attended/held
CHIM Tak Lai (<i>Chairman</i>)	2/2
SOU Peng Kan Albert	0/2
ZHANG Wei	2/2
DU Min	1/2
CHEN Jie	1/2

During the year ended 31 December 2024, the Remuneration Committee (i) considered and reviewed, among other things, the existing terms of appointment of the Directors, which were considered fair and reasonable, as well as the policy for the remuneration of executive Directors; (ii) assessed performance of executive Directors. The Remuneration Committee has also recommended the remuneration packages of individual executive Directors and senior management to the Board. During the year ended 31 December 2024, as there were no share option granted under the Share Option Scheme (as disclosed in the Report of the Directors), no material matters relating to the Share Option Scheme under Chapter 23 of the GEM Listing Rules were required to be reviewed or approved by the Remuneration Committee.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 21 June 2019 with written terms of reference in compliance with CG Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of our Nomination Committee are (i) to review the structure, size and composition of our Board on a regular basis; (ii) to identify individuals suitably qualified to become Board members; (iii) to assess the independence of independent non-executive Directors; (iv) to make recommendations to our Board on relevant matters relating to appointment or re-appointment of Directors; and (v) to make recommendations to our Board regarding candidates to fill vacancies on the Board.

The Nomination Committee currently consists of three executive Directors, Mr. Sou Peng Kan Albert, Mr. Lin Dongsheng and Mr. Ma Kin Ling, and three independent non-executive Directors, Mr. Chim Tak Lai, Ms. Du Min and Mr. Law Kim Fai. Mr. Sou Peng Kan Albert is the chairman of the Nomination Committee. Following the appointment of Mr. Ma Kin Ling on 12 March 2025, the Company has failed to fulfill the Nomination Committee comprising a majority of the independent non-executive Directors as required under Rule 5.36 of the GEM Listing Rules. The Company is in the process of identifying a suitable candidate for appointment as additional independent non-executive Director to ensure re-compliance with the relevant rule as soon as possible and in any event within three months from the date of this appointment of Mr. Ma Kin Ling. Save as the above, during the year ended 31 December 2024 and up to the date of this report, save as the Company has complied with the required standards as set out in Rule 5.36A of the GEM Listing Rules.

During the year ended 31 December 2024, two Nomination Committee meetings were held which, amongst other matters, identified and nominated the appropriate candidate to fill casual vacancies of the Directors for the Board's approval; reviewed the structure, size and diversity of the Board, assessed the independence of independent non-executive Directors and recommended to the Board for consideration the re-appointment of the retiring Directors. The attendance was as follows.

	Number of meetings attended/held
SOU Peng Kan Albert (<i>Chairman</i>)	0/2
LIN Dongsheng	1/2
CHIM Tak Lai	2/2
DU Min	1/2
CHEN Jie	1/2

Nomination policy

The company secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from the Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by the Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for a director include, inter alia, integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as a Board member, diversity of the Board, and such other perspectives appropriate to the Group's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

During the Year, the Nomination and Corporate Governance Committee (i) considered and reviewed the Nomination Policy, the Board Diversity Policy, the Company's policies and practices on corporate governance, the process and criteria to select and recommend candidates for directorship; and (ii) recommended the Board to approve the proposed sequence for re-election of retiring Directors in the annual general meeting of the Company. The Nomination and Corporate Governance Committee considers that the Nomination Policy, the Board Diversity Policy and the existing policies and practices of corporate governance of the Company are suitable. A brief summary of the Board Diversity can be found in the paragraph headed "Board Diversity Policy" of this report.

INDEPENDENCE VIEWS TO THE BOARD

The Board recognises Board's independence is critical to good corporate governance. The Company has put in place the mechanisms to ensure a strong independence element on the Board, which are summarised below:

(i) Independence assessment

The Nomination Committee shall strictly adhere to the nomination policy and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of independent non-executive Directors.

Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his own personal particulars that may materially affect his independence.

The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.



CORPORATE GOVERNANCE REPORT

(ii) Board composition

The Board endeavours to ensure the appointment of at least three independent non-executive Directors and at least one-third of the Board members being independent non-executive Directors (or such higher threshold as may be required by the GEM Listing Rules from time to time).

Apart from complying with the requirements prescribed by the GEM Listing Rules as to the composition of certain Board committees, independent non-executive Directors will be appointed to other Board committees as far as practicable to ensure independent views are available.

(iii) Decision making

All Directors (including independent non-executive Directors) are entitled to seek further information and documentation from the management on the matters to be discussed at board meetings. They can also seek assistance from the Company's company secretary and, where necessary, independent advice from external professional advisers at the Company's expense.

All Directors (including independent non-executive Directors) shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his close associates has a material interest.

The Board had made an annual review on the implementation of the abovementioned mechanisms and was of the view that the abovementioned mechanisms had been satisfactorily implemented.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions as set out in code provision A.2.1 of the CG Code, which include (i) developing and reviewing the Company's policies and practices on corporate governance; (ii) reviewing and monitoring the training and continuing professional development of the Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in this report.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the accounts of the Company. The Directors have prepared the financial statements of the Company on a going-concern basis. The responsibilities of the external auditors regarding their financial reporting are set out in the independent auditor's report contained in this annual report for the year ended 31 December 2024.

The Directors are responsible for overseeing all financial aspects of the Company and for keeping proper accounting records and preparing financial statements of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the financial statements for the Year, the Directors have:

- approved the adoption of all applicable Hong Kong Financial Reporting Standards which are issued by the Hong Kong Institute of Certified Public Accountants;
- selected and applied consistently appropriate accounting policies;
- made judgments and estimates that are prudent and reasonable; and
- prepared the accounts on a going concern basis. The Directors, having made appropriate enquiries, consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a loss of HK\$28,695,979 for the year ended 31 December 2024, and as at 31 December 2024, the Group had net current liabilities of HK\$4,439,524.

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to Code Provision E.1.5, the remuneration of the member(s) of senior management of the Group (excluding the Directors) for the year ended 31 December 2024 by band is as follows:

Remuneration bands	Number of individual(s)
HK\$0 to HK\$1,000,000 (including Chairman)	1

REMUNERATION POLICY OF THE DIRECTORS

Quality and committed staff are valuable assets contributing to the Group's success. To ensure the ability to attract and retain talents, the Group's remuneration policy of the Directors is built upon the principles of providing equitable and market-competitive remuneration package that support the performance culture and enable the achievement of strategic business goals. The Group's remuneration policy of Directors is, therefore, aiming at providing competitive but not excessive remuneration package to the Directors.

Details of the Directors' remuneration are set out in note 11 to the consolidated financial statements.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its quarterly, interim and annual reports. The corporate website of the Company (worldsuperhk.com) has provided an effective communication platform to the public and the shareholders.

AUDITOR'S REMUNERATION

The audit work of the Group for the year ended 31 December 2024 was performed by the Company's external auditor, McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods").

The amount of fees charged by the auditor generally depends on the scope and volume of the auditor's work. The total fee paid/payable in respect of the statutory audit and non-audit services provided by McMillan Woods is set out in the following table:

	Fee paid/payable	
	2024 HK\$'000	2023 HK\$'000
Audit services	750	1,300
Audit services, under-provision of prior year	300	–
Non-audit services – review of interim financial information of the Group	70	70
	1,120	1,370

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has responsibility for maintaining appropriate and effective risk management and internal control systems of the Group. The Board has delegated responsibility to the Audit Committee to review the Group's risk management and internal control matters annually. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Under the enterprise risk management framework, policies and procedures are in place to identify, assess, manage, control and report risks. Such risks include strategic, operational (administrative system, project and lease management, contract and construction management, information technology security), market, reporting and compliance risks. Exposure to these risks is continuously monitored by the Board through the Audit Committee.

The internal control system includes a defined management structure with specified limits of authority. The Board has clearly defined the authorities and key responsibilities of each division to ensure adequate checks and balances. The internal control system has been designed to safeguard the Group's assets against unauthorised use or disposition, to ensure the maintenance of proper accounting records for producing reliable financial information, and to ensure compliance with applicable laws, regulations and industry standard.

For the year ended 31 December 2024, the Group did not have an internal audit function. The Board currently takes the view that there is no immediate need to set up an internal audit function in light of the size, nature and complexity of the Group's business. The need for an internal audit function will be reviewed from time to time. The Company has engaged an external independent internal control consultant to review the Group's risk management and internal control systems on annual basis. The Audit Committee reviewed the internal control review report issued by the external independent consultant on the Company's risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions in respect of the year ended 31 December 2024 and considered that they are effective and adequate. The Board assessed the effectiveness of internal control systems by considering the internal control review report and reviews performed by the Audit Committee and concurred with them.

After the review on the risk management and internal control systems, the management provided an action plan so as to mitigate those identified deficiencies in a timely manner. All internal control findings would be followed up closely to ensure that the action plan is implemented accordingly.

DISCLOSURE OF INSIDER INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a discussion. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirements under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors and the company secretary are authorised to communicate with parties outside the Group.

COMPANY SECRETARY

All Directors have access to the advice and services of the company secretary. The company secretary reports to the Chairman on Board governance matters, and is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with shareholders and management.

Mr. Mak Wai Kit ceased as a Company Secretary with effect from 30 June 2023 and Ms. Chan Lok Yin ("Ms. Chan") has been appointed the company secretary of the Company on 30 June 2023 pursuant to Rule 5.14 of the GEM Listing Rules. Ms. Chan is a member of The Hong Kong Institute of Certified Public Accountants and an associate of The Chartered Governance Institute. For details of Ms. Chan's biography, please refer to the section under "Biographical Details of Directors and Senior Management". During the year, Ms. Chan undertook over 15 hours' professional training to update her skill and knowledge pursuant to Rule 5.15 of the GEM Listing Rules.

SHAREHOLDERS' RIGHTS

The general meetings of the Group provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

Right to convene an extraordinary general meeting

Any one or more member(s) holding at the date of the 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, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's principal place of business at Unit 3403, 34/F., AIA Tower, 183 Electric Road, North Point, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request has been verified not in order, the shareholders will be advised of this outcome accordingly, and an EGM will not be convened as requested. If within 21 days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s) may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as of the failure of the Board shall be reimbursed by the Group to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

- (a) At least 14 clear days' notice in writing (and not less than 10 clear business days) if the proposal constitutes an ordinary resolution; or
- (b) At least 21 clear days' notice in writing (and not less than 10 clear business days) if the proposal constitutes a special resolution.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Act, Chapter 22 (as revised). However, shareholders are requested to follow Article 58 of the Company's Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above.

Pursuant to Article 85 of the Company's Articles of Association, no person other than a director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company's website.

INVESTOR RELATIONS

The Group has established a range of communication channels between itself and its shareholders with the objective of ensuring that the shareholders will have equal and timely access to information about the Company in order to enable the shareholder to exercise their rights in an informed manner and allow them to engage actively with the Company. All corporate communication materials published on the website of the Stock Exchange (www.hkexnews.hk) are posted on the Company's website (www.worldsuperhk.com) as soon as practicable after their release. The Company's constitutional documents are also available on the Company's website. Information on the website shall be updated on a regular basis. Share registration matters shall be handled for the shareholders by the Company's share registrar, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Company has reviewed the implementation and effectiveness of the shareholder communication policy during the year and conclude that it is effective.

CONSTITUTIONAL DOCUMENTS

As disclosed in the announcement of the Company dated 31 March 2023 and the circular of the Company dated 31 March 2023, a special resolution was proposed at the annual general meeting of the Company convened and held on 18 May 2023 to approve, among others, the proposed amendments to the articles of association of the Company, in order to, among others, (i) bringing the articles of association in line with the amendments made to the GEM Listing Rules effective from 1 January 2022 and the applicable law in the Cayman Islands; (ii) incorporating amendments and provisions to allow and facilitate hybrid and electronic meetings; and (iii) making certain minor house-keeping amendments to the articles of association for the purpose of clarifying existing practice and making consequential amendments in line with the aforesaid proposed amendments. The second amended and restated articles of association of the Company was approved and adopted on 18 May 2023 and effective on the same date, the latest version of which is available on the websites of the Company and the Stock Exchange. During the year ended 31 December 2024, there has been no change in the constitutional documents.



REPORT OF THE DIRECTORS

The Directors hereby present their annual report and the audited consolidated financial statements for the year ended 31 December 2024.

GROUP REORGANISATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 26 February 2016. Through a group reorganisation as fully explained in the Prospectus, the Company has since 31 May 2016 become the holding company of the Group. The Company has completed its initial public offering and the shares of the Company were listed on the Stock Exchange on 12 July 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development and possible risks and uncertainties facing the Group are set out in the section headed "Chairman's Statement" as well as the "Management Discussion and Analysis" of this annual report, respectively. An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis" of this report. To the best knowledge and belief of the Directors, the Group's operation in Hong Kong and Macau has complied with the applicable laws and regulations in all material respects for the year ended 31 December 2024 to the date of this report.

ENVIRONMENTAL PROTECTION

For the year ended 31 December 2024, the Group's business operation made continuous effort on minimizing damage to the environment and ensuring employee wellbeing. No non-compliance in relation to environmental and social aspect was recorded. Engagement with stakeholders has resulted in raised concerns on key material issues, which include (i) greenhouse gas emissions, (ii) energy consumption, (iii) local community engagement, (iv) community investment, (v) talent attraction and retention and (vi) economic value generated. These aspects had already been managed by the Group and the Group will continue to keep close communication with its stakeholders for advancing its environmental, social and governance management.

Discussion on the Group's environmental policies and performance, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group will be provided in the Environmental, Social and Governance Report of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 and the state of affairs of the Group as at 31 December 2024 are set out in the consolidated financial statements on pages 58 and 59 to 60 of this annual report respectively. The Board does not recommend the payment of final dividend for the year ended 31 December 2024.

SUMMARY OF FINANCIAL INFORMATION

The summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 5 of this annual report. This summary does not form part of the audited consolidated financial statements in the annual report.

PLANT AND EQUIPMENT

Details of movements in plant and equipment during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year ended 31 December 2024 are set out in note 27 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the year ended 31 December 2024.

RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2024 are set out in note 36 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to approximately HK\$Nil.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PERMITTED INDEMNITY

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the period from 12 July 2019 (the "Listing Date") to the end of the year. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

CORPORATE GOVERNANCE

The Board is of the view that save and except for the deviation from code provision C.2.1, D.1.2 and F.1.1 of the CG Code, the Company has met the code provisions set out in the CG Code in Appendix C1 to the GEM Listing Rules. A report on the principal corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year ended 31 December 2024, to the best of knowledge of the Directors, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

REPORT OF THE DIRECTORS

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's shares.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group's five largest customers accounted for approximately 74.0% of the total sales for the year and sales to the largest customer included therein amounted to approximately 25.8%. Purchases from the Group's five largest suppliers accounted for approximately 70.6% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 19.4%.

Save as disclosed, to the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders (which to the best knowledge of the Directors) owned 5% more of the Company's number of issued shares, had any beneficial interest in any of the Group's five largest customers or suppliers during the year ended 31 December 2024.

CHARITABLE DONATION

Charitable donation made by the Group during the year amounted to Nil (2023: Nil).

PLACING AND USE OF PROCEEDS

On 4 October 2024 (after trading hours), the Company entered into the placing agreement (the "Placing Agreement") with Guochuang Securities Financial Holding Group Co., Limited (the "Placing Agent"), pursuant to which the Company appointed the Placing Agent as its agent to procure not less than six places, being any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the placing ordinary shares of the Company (the "Placing Shares") pursuant to the Placing Agreement, to subscribe up to 172,800,000 Placing Shares at a price of HK\$0.01764 per Placing Share on a best effort basis on the terms and subject to the conditions of the Placing Agreement (the "Placing"). The Placing Price represents a discount of approximately 16% to the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 4 October 2024, being the date of the Placing Agreement. The net price is HK\$0.01737 per Placing Share.

The Placing Shares will be allotted and issued under the general mandate granted to the Directors pursuant to a resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 28 June 2024 to allot and issue up to 172,800,000 new Shares. The aggregate nominal value of the Placing Shares under the Placing is HK\$1,728,000.

The Placing Price represents a discount of approximately 16% to the closing price of HK\$0.021 per Share as quoted on the Stock Exchange on 4 October 2024, being the date of the Placing Agreement.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide additional working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the terms of Placing Agreement are fair and reasonable, and the Placing is in the interests of the Company and its Shareholders as a whole. The Company fully utilised the net proceeds from the Placing for general working capital of the Group.

The Placing was completed on 25 November 2024.

For details, please refer to the announcements of the Company dated 4 October 2024, 24 October 2024 and 18 November 2024 and the next day disclosure return of the Company dated 25 November 2024.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors

SOU Peng Kan Albert (*Chairman*)

LAU Lawrence Tak Sun

LIN Dongsheng

ZHANG Wei

CHAN Lok Yin

MIAO Yingjuan (*appointed on 30 December 2024*)

MA Kin Ling (*appointed on 12 March 2025*)

Independent Non-executive Directors

CHIM Tak Lai

DU Min

CHEN Jie (*resigned on 19 February 2025*)

LAW Kim Fai (*appointed on 21 February 2025*)

Ms. Miao Yingjuan who was appointed as an executive Director on 30 December 2024 as an additional Director, will hold office until the 2025 AGM and, being eligible, will offer herself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association. Ms. MIAO Yingjuan obtained legal advice referred to in rule 5.02D of the GEM Listing Rules and confirmed that she understood her obligations as a director of the Company.

Mr. Law Kim Fai who was appointed as an independent non-executive Director on 21 February 2025 to fill the casual vacancy arising from the resignation of Ms. Chen Jie, will hold office until the 2025 AGM and, being eligible, will offer himself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association.

Mr. Ma Kin Ling who was appointed as an executive Director on 12 March 2025 as an additional Director, will hold office until the 2025 AGM and, being eligible, will offer himself for re-election at the 2025 AGM in accordance with article 83(3) of the Articles of Association.

In accordance with article 84(1) of the Articles of Association, Mr. Sou Peng Kan Albert, Mr. Lau Lawrence Tak Sun and Mr. Lin Dongsheng will retire from office by rotation at the 2025 AGM, being eligible, will offer themselves for re-election at the 2025 AGM.

The Company has received, from each of the current independent non-executive Directors, a confirmation of their independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of the independent non-executive Directors are independent.



REPORT OF THE DIRECTORS

BIOGRAPHIES OF DIRECTORS AND OTHER SENIOR MANAGEMENT

The biographical details of the Directors and other senior management are disclosed in the section headed “Biographical details of Directors and Senior Management” on pages 16 to 19 in this annual report.

CHANGES OF DIRECTORS’ INFORMATION

Upon specific enquiry by the Company and following confirmations from Directors, save as otherwise set out in this report, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the Company’s last interim report.

DIRECTORS’ SERVICE CONTRACTS

All independent non-executive Directors have entered into a service contract with the Company with an initial term of one year.

No Director proposed for re-election at the forthcoming annual general meeting 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’ RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the heading “Directors’ and Chief Executives’ Interests and/or Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations” below, at no time during the period from the Listing Date to the end of the year has been/was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Company’s Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

There has been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during the year ended 31 December 2024.

No contract of significance (including provision of services) between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries subsisted during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

Save as the placing and the share option scheme of the Company as disclosed below, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2024 or subsisted at the end of the year.

REMUNERATION OF THE DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors are set out in note 11 to the consolidated financial statements in this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2024.

EMOLUMENT POLICY

The Remuneration Committee is responsible for making recommendations to the Board on Company's policy and structure for all Directors and senior management remuneration, having regard to market competitiveness, individual performance and achievement. The Company has adopted a share option scheme as an incentive to Directors and eligible participants, details of the scheme is set out on pages 41 to 49 in this annual report.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising any rights in relation to the Shares, they are advised to consult their professional advisers.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme approved by the written resolution passed on 21 June 2019 (the "Share Option Scheme"):

(1) Purpose of the Share Option Scheme

The Share Option Scheme enables our Company to grant an option to subscribe for shares granted pursuant to the Share Option Scheme (the "Option") to any full-time or part-time employee of our Company or any member of our Group, including any executive Director, non-executive Director and independent non-executive Director, advisor and consultant of our Group (the "Eligible Person") as incentives or rewards for their contributions to our Group.

(2) Who may join

Our Board may, at its absolute discretion, invite any Eligible Persons to take up Options at a price calculated in accordance with sub-paragraph (5) below. Upon acceptance of the Option, the Eligible Person shall pay HK\$1.00 to our Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted.

(3) Grant of Option

Our Company may not grant any Option after inside information has come to our knowledge until we have announced the information in accordance with the requirements of the GEM Listing Rules. In particular, our Company may not grant any option during the period commencing one month immediately before the earlier of:

- (i) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the GEM Listing Rules), and
- (ii) the deadline for our Company to publish an announcement of its results for any year, half-year or quarterly under the GEM Listing Rules, or any interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Directors may not grant any Option to an Eligible Person who is our Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(4) Maximum number of options to any one individual

The total number of shares issued and to be issued upon exercise of the Options granted to any Eligible Person who accepts or is deemed to have accepted the offer of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original participant (the "Participant") under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the shares in issue from time to time. Where any further grant of Options to such Participant (the "Further Grant") would result in the shares issued and to be issued upon exercise of all Options granted and to be granted under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the shares in issue from time to time, the Further Grant must be separately approved by the shareholders in general meeting with such Participant and his close associates (as defined in the GEM Listing Rules) (or his associates (as defined in the GEM Listing Rules) if the Participant is a connected person) abstaining from voting.

In relation to the Further Grant, our Company must send a circular to the shareholders and the circular must disclose the identity of the relevant Participant, the number and the terms of the Options to be granted (and Options previously granted to such Participant under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted) and the information required under the GEM Listing Rules. The number and terms (including the exercise price) of Options to be granted to such Participant must be fixed before shareholders' approval and the date of meeting of our Board for proposing the Further Grant should be taken as the date on which an Option is offered to an Eligible Person for the purpose of calculating the exercise price.

(5) Price of Shares

The exercise price for the shares subject to Options will be a price determined by our Board and notified to each Participant and must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a trading day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of the Options.

(6) Maximum number of Shares

- (i) The total number of shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted must not, in aggregate, exceed 10% of the shares in issue as at the Listing Date (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 600,000,000 shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 60,000,000 shares, representing 10% of the shares in issue as at the Listing Date.
- (ii) Subject to the approval of shareholders in general meeting, our Company may "refresh" the Scheme Mandate Limit to the extent that the total number of shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted under the Scheme Mandate Limit as "refreshed" must not exceed 10% of the shares in issue as at the date of such shareholders' approval. Options previously granted under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as "refreshed". In relation to the shareholders' approval referred to in this paragraph (ii), our Company shall send a circular to the shareholders containing the information required by the GEM Listing Rules.
- (iii) Subject to the approval of shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by our Company before such shareholders' approval is sought. In relation to the shareholders' approval referred to in this sub-paragraph (iii), our Company must send a circular to its shareholders containing a generic description of the specified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Persons with an explanation as to how the terms of the Options serve such purpose and such other information required by the GEM Listing Rules.
- (iv) Notwithstanding the foregoing, our Company may not grant any Options if the number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted exceeds 30% of the shares in issue from time to time.

(7) Time of exercise of Option and performance target

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Board to each Participant provided that the period within which the Option must be exercised shall not be more than ten years from the date of the grant of Option. The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by our Board to each Participant, which our Board may in its absolute discretion determine.

(8) Rights are personal to grantee

An Option shall be personal to the Participant and shall not be assignable or transferable and no Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option. Any breach of the foregoing by the Participant shall entitle our Company to cancel any Option or any part thereof granted to such Participant (to the extent not already exercised) without incurring any liability on our Company.

(9) Rights on death, retirement and cessation of employment

If a Participant dies before exercising the Options in full, his or her personal representative(s) may exercise the Options in full (to the extent that it has become exercisable on the date of death and not already exercised) within a period of 12 months from the date of death, failing which such Options will lapse.

In the event that a Participant retires in accordance with his or her contract of employment or upon expiration of his or her contract of employment or terms of directorship before exercising his or her Options in full, such Options will lapse on the date he or she retires or the date of expiration of his or her contract of employment or term of directorship.

(10) Changes in capital structure

In the event of any alteration in the capital structure of our Company while an Option remains exercisable, and such event arises from capitalisation of profits or reserves, rights issue, consolidation, reclassification, subdivision or reduction of the share capital of our Company, such corresponding alterations (if any) shall be made in the number of shares subject to the Options so far as unexercised, and/or the exercise price, and/or the method of the Options, and/or the maximum number of shares subject to the Share Option Scheme.

Any adjustments required under this paragraph must give a Participant the same proportion of the equity capital as that to which that Participant was previously entitled and shall be made on the basis that the aggregate exercise price payable by a Participant on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, unless with the prior approval of the shareholders in general meeting, no such adjustments may be made to the advantage of the Participant. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser of our Company or the auditors of our Company must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules and the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

(11) Rights on take-over

If a general offer has been made to all the shareholders (other than the offeror and/or any persons acting in concert with the offeror), to acquire all or part of the issued shares, and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Participant shall be entitled to exercise his or her outstanding Option in full or any part thereof within 14 days after the date on which such offer becomes or is declared unconditional. For the purposes of this sub-paragraph, "acting in concert" shall have the meaning ascribed to it under the Takeovers Code in Hong Kong as amended from time to time.

(12) Rights on a compromise or arrangement

If an application is made to the court (otherwise than where our Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between our Company and our creditors (or any class of them) or between our Company and our shareholders (or any class of them), a Participant may by notice in writing to our Company, within a period of 21 days after the date of such application, exercise his or her outstanding Option in full extent or any part thereof specified in such note. Upon the compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised. Notice of the application referred to herein and the effect thereof shall be given by our Company to all Participants as soon as practicable.

(13) Rights on winding-up

In the event of a notice being given by our Company to our shareholders to convene a general meeting for the purpose of approving a resolution to voluntarily wind up our Company when our Company is solvent, our Company shall on the day of such notice to each shareholder or as soon as practicable, give notice thereof to all Participants. Thereupon each Participant shall be entitled to exercise all or any of his or her outstanding Options at any time no later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant shares to the Participant credited as fully paid.

(14) Lapse of Option

An Option shall lapse forthwith and not exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the Option as may be determined by the Board;
- (ii) subject to paragraphs (6) and (16), the expiry of the period to be determined and notified by our Board to each Participant in respect of any particular Option;
- (iii) the first anniversary of the death of the Participant;

REPORT OF THE DIRECTORS

- (iv) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the date on which such member of our Group terminates the Participant's employment or removes the Participant from his or her office on the ground that the Participant has been guilty of misconduct, has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty. A resolution of our Board or the board of directors of the relevant member of our Group to the effect that such employment or office has or has not been terminated or removed on one or more grounds specified in this subparagraph shall be conclusive;
- (v) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the date of the Participant ceasing to be an employee or director of such member of our Group by reason of:
 - (a) his or her retirement on or after attaining normal retirement age or, with the express consent of the Board in writing for the purpose of this subparagraph, at a younger age;
 - (b) ill health or disability recognised as such expressly by our Board in writing for the purpose of this subparagraph;
 - (c) the company by which he or she is employed and/or of which he or she is a director (if not our Company) ceasing to be a subsidiary of our Company;
 - (d) expiry of his or her employment contract or vacation of his or her office with such member of our Group and such contract or office is not immediately extended or renewed; or
 - (e) at the discretion of our Board, any reason other than death or the reasons described in subparagraph (iv) or (v) (a) to (c);
- (vi) the expiry of any period referred to in paragraphs (11) and (12) above, provided that in the case of paragraph (11), all Options granted shall lapse upon the proposed compromise or arrangement becoming effective; and
- (vii) the date the Participant commits any breach of the provisions of paragraph (8).

(15) Ranking of Shares

Shares allotted and issued upon the exercise of an Option will be subject to our Company's Articles as amended from time to time and will rank *pari passu* in all respects with the fully paid or credited as fully paid shares in issue on the date of such allotment or issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date, of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment or issue.

(16) Cancellation of Options granted

Any cancellation of Options granted in accordance with the Share Option Scheme but not exercised must be approved by the grantee concerned in writing. In the event that our Board elects to cancel any Options and issue new ones to the same grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

(17) Period of Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(18) Alteration to and termination of Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of our Board except that, (i) any alteration to the advantage of the Participants or the Eligible Persons (as the case may be) relating to matters contained in Chapter 23 of the GEM Listing Rules; (ii) any alteration to the terms and conditions of the Share Option Scheme which is of material nature or any change to the terms of Options granted, except where the alterations take effect automatically under the existing terms of the Share Option Scheme; and (iii) any change to the authority of the directors or scheme administrators in relation to any alteration to the terms of the Share Option Scheme, must first be approved by the shareholders in general meeting (with the Eligible Persons, the Participants and their associates abstaining from voting) provided that the amended terms of the Share Option Scheme or Options granted must still comply with the requirements of Chapter 23 of the GEM Listing Rules.

Any alterations to the terms and conditions of Share Option Scheme, which are of a material nature shall first approved by the Stock Exchange, except where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Our Company may, by ordinary resolution in general meeting, at any time terminate the operation of the Share Option Scheme before the end of its life and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the shareholders seeking approval for the new scheme to be established after such termination.

(19) Granting of Options to a Director, chief executive or substantial shareholder of our Company or any of their associates

Where Options are proposed to be granted to a Director, chief executive or substantial shareholder of our Company or any of their respective associates, the proposed grant must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).

If a grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates will result in the total number of the shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for share may be granted in any 12-month period up to and including the date of the grant: (i) representing in aggregate 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the shares in issue from time to time; and (ii) having an aggregate value, based on the closing price of the shares at the date of the grant, in excess of HK\$5 million, then the proposed grant of Options must be approved by the shareholders. Our Company must send a circular to the shareholders which must contain the information required under the GEM Listing Rules. The grantee, his associates and all core connected persons (as defined in the GEM Listing Rules) of our Company must abstain from voting in favour at such general meeting.



REPORT OF THE DIRECTORS

In addition, shareholders' approval as described above will also be required for any change in terms of the Options granted to an Eligible Person who is a substantial shareholder, an independent non-executive Director or any of their respective associates.

The circular must contain the following:

- (i) details of the number and terms (including the exercise price) of the Options to be granted to each Eligible Person, which must be fixed before the relevant shareholders' meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price;
- (ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Options in question) to independent shareholders, as to voting;
- (iii) the information required under Rules 23.02(2)(c) and (d) and the disclaimer required under Rule 23.02(4) of the GEM Listing Rules; and
- (iv) all other information as required by the GEM Listing Rules (including Rule 2.28 of the GEM Listing Rules).

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the GEM Listing Rules) set out in this paragraph (18) do not apply where the Eligible Person is only a proposed Director or proposed chief executive.

(20) Conditions of Share Option Scheme

The Share Option Scheme is conditional on (i) the passing of a resolution to adopt the Share Option Scheme by our shareholders in general meeting; and (ii) the Stock Exchange granting approval for the listing of and permission to deal in the shares which may be issued pursuant to the exercise of Options.

Application has been made to the Stock Exchange for the listing of and permission to deal in the shares which fall to be issued pursuant to the exercise of Options granted under the Share Option Scheme.

(21) Administration of the Share Option Scheme

The Share Option Scheme will be administered by our Board whose decision (save as otherwise provided therein) shall be final and binding on all parties.

(22) Disclosure in annual, half-year and quarterly reports

Our Company will disclose all information in relation to the Share Option Scheme in its annual, half-year and quarterly reports in accordance with the GEM Listing Rules.

Up to the date of this annual report, no options had been granted, agreed to be granted, exercised, cancelled or lapsed pursuant to the Scheme. The number of options available for grant under the Share Option Scheme as at 1 January 2024 and 31 December 2024 was 60,000,000 and 6,000,000 respectively, representing approximately 6.94% and 5.79% of the Shares in issue as at 1 January 2024 and 31 December 2024 respectively.

The number of Shares available for issue under the Share Option Scheme as at the date of the annual report is 6,000,000, representing approximately 5.79% of the Shares in issue as at the date of the annual report.

INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, the Directors are not aware of any business or interest of each Director, controlling shareholder, management shareholder and their respective associates (as defined in GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long Positions in the Shares

Name of Director	Nature of interest	Number of shares held/ interested	Approximate percentage of shareholding in Company
Mr. Sou Peng Kan Albert ("Mr. Sou")	Interest in a controlled corporation	2,762,500 (Note 1)	2.66%

Note:

- (1) All 34,125,000 share are registered in the name of Bao Han Holdings Limited ("Bao Han"), the entire issued share capital of which is legally and beneficially owned by Mr. Sou. Mr. Sou is deemed to be interested in all the shares held by Bao Han.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2024, none of the Directors nor the chief executives of the Company had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or 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 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Required Standard of Dealings and the Code by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as the Directors are aware, the following persons (other than Directors or chief executives of the Company) had or were deemed or taken to have the following interests and/or short positions in the shares or the underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in the Shares

Name of Shareholder	Nature of Interest	Approximate	
		Number of shares held/ interested	percentage of shareholding in Company
Ms. Chiu Man Chi Vivi	Beneficial interest	5,263,000	5.08%

Save as disclosed herein, as at 31 December 2024 the Directors are not aware of any person who had or deemed to have an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 December 2024 are set out in note 31 to the consolidated financial statements. Those related party transactions constitute continuing connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Directors are not aware of any related party transactions which constituted a non-exempt connected transaction or continuing connected transaction of the Company under the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float of not less than 25% of the Company's issued shares as required under the GEM Listing Rules during the year and up to the latest practicable date prior to the issue of this annual report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 46/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 24 June 2025.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 December 2024 and this annual report have been reviewed by the Audit Committee.

AUDITOR

Confucius International CPA Limited resigned as auditor of the Company with effect from 20 September 2023 and McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods") was appointed as auditor of the Company with effect from 21 September 2023 to fill the causal vacancy and to hold office until the conclusion of the forthcoming AGM, with the recommendation from the Audit Committee of the Company. Save as disclosed above, there were no other changes of auditor of the Company in the preceding three years. Further details on the change of auditors were included in the announcement of the Company dated 20 September 2023 and 23 September 2023.



REPORT OF THE DIRECTORS

The consolidated financial statements for the year ended 31 December 2024 were audited by McMillan Woods. A resolution for the re-appointment of McMillan Woods as auditor of the Company is to be proposed at the AGM.

On behalf of the Board

World Super Holdings Limited

Sou Peng Kan Albert

Chairman and Executive Director

Hong Kong, 2 June 2025

INDEPENDENT AUDITOR'S REPORT



OPINION

We have audited the consolidated financial statements of World Super Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 58 to 136, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1 to the consolidated financial statements, which indicates that the Group incurred a loss of HK\$28,695,979 for the year ended 31 December 2024 and, as at 31 December 2024, the Group had net current liabilities of HK\$4,439,524. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the impairment assessment on non-financial assets to be the key audit matter.

The Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>Impairment assessment on non-financial assets</p> <p><i>Refer to summary of material accounting policy information in note 3, critical accounting judgements and key sources of estimation uncertainty in note 4 and its relevant disclosures in notes 14 and 15 to the consolidated financial statements.</i></p> <p>As at 31 December 2024, included in the Group's non-financial assets were the Group's plant and equipment and right-of-use assets of the carrying amounts of HK\$18,041,977 and HK\$477,257 respectively.</p> <p>In view of the loss making of the Group for the year ended 31 December 2024, the management of the Group performed impairment testing on the plant and equipment and right-of-use assets as at 31 December 2024. The recoverable amounts of the above-mentioned non-financial assets are determined based on the value-in-use of individual items of the relevant non-financial assets. Significant judgements and estimates were used by the management of the Group to determine the valuation methodology, underlying data and inputs used in the value-in-use calculations, including sales growth rate, net profit margin and pre-tax discount rate.</p> <p>Due to the significance of the amount of the relevant non-financial assets to the Group's consolidated financial statements (representing approximately 60% of the Group's total assets) and involved the use of significant management's judgements and estimates, we considered this as a key audit matter.</p>	<p>Our audit procedures in relation to the impairment assessment on non-financial assets included:</p> <ul style="list-style-type: none">– Assessing the appropriateness of management's assessment regarding identification of impairment indicators and allocation of assets to the cash-generating units;– Discussing with management of the Group, with the assistance of the auditor's expert, to understand the basis of valuation approach and methodology;– Challenging, with the assistance of the auditor's expert, management of the Group regarding the adoption of the assumptions and estimations in the valuation;– Evaluating, with the assistance of the auditor's expert, the reasonableness of the underlying data and inputs used, including sales growth rate and net profit margin by cross-checking against the Group's historical performance;– Assessing, with the assistance of the auditor's expert, the appropriateness of the pre-tax discount rate adopted; and– Assessing the adequacy of the disclosures made in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.
- conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

From the matters communicated with the Audit Committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

Lo Ka Ki

Audit Engagement Director

Practising Certificate Number: P06633

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, Hong Kong

Hong Kong, 2 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 HK\$	2023 HK\$
Revenue	6	16,206,839	23,088,446
Cost of sales and services		(14,229,142)	(19,486,560)
Gross profit		1,977,697	3,601,886
Other income and gains or (losses)	7	(1,179,459)	(5,255,215)
Other operating expenses		(747,561)	(2,661,308)
Impairment losses on plant and equipment	14	(4,788,627)	(2,389,136)
Impairment losses on right-of-use assets	15	(424,614)	–
Impairment losses under expected credit loss model, net		(121,819)	(10,268,644)
Administrative expenses		(21,022,587)	(19,890,886)
Selling and distribution expenses		(1,991,887)	(1,233,428)
Finance costs	8	(389,464)	(790,340)
Loss before tax		(28,688,321)	(38,887,071)
Income tax (expense)/credit	9	(7,658)	2,160,031
Loss for the year	10	(28,695,979)	(36,727,040)
Other comprehensive income/(expense) for the year			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement gains on defined benefit obligations	25	3,165	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of a foreign operation		(199,611)	–
Other comprehensive expense for the year		(196,446)	–
Total comprehensive expense for the year		(28,892,425)	(36,727,040)
		HK cents	HK cents (Re-presented)
Loss per share			
Basic	13	(32.55)	(42.51)
Diluted	13	(32.55)	(42.51)

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTES	2024 HK\$	2023 HK\$
Non-current assets			
Plant and equipment	14	18,041,977	28,235,988
Right-of-use assets	15	477,257	909,888
		18,519,234	29,145,876
Current assets			
Inventories	16	250,929	253,139
Contract assets	17	504,284	262,459
Trade and other receivables	18	3,670,809	2,588,996
Loan receivables	19	2,301,529	5,718,751
Pledged bank deposits	20	–	1,514,257
Cash and cash equivalents	20	5,758,476	11,116,565
		12,486,027	21,454,167
Current liabilities			
Trade and other payables	21	14,638,213	5,094,974
Borrowings	22	1,500,000	2,483,795
Lease liabilities	24	775,599	473,918
Obligations under finance leases	23	4,378	2,417,395
Income tax payable		7,361	–
		16,925,551	10,470,082
Net current (liabilities)/assets		(4,439,524)	10,984,085
Total assets less current liabilities		14,079,710	40,129,961

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTES	2024 HK\$	2023 HK\$
Non-current liabilities			
Lease liabilities	24	146,717	437,257
Retirement benefit obligations	25	130,504	–
		277,221	437,257
Net assets		13,802,489	39,692,704
Capital and reserves			
Share capital	27	10,368,000	8,640,000
Reserves		3,434,489	31,052,704
Total equity		13,802,489	39,692,704

The consolidated financial statements on pages 58 to 136 were approved and authorised for issue by the Board of Directors on 2 June 2025 and are signed on its behalf by:

Zhang Wei
DIRECTOR

Lin Dongsheng
DIRECTOR

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital HK\$ (Note 27)	Share premium HK\$	Merger reserve HK\$ (Note)	Exchange reserve HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2023	8,640,000	110,657,638	5,499,999	–	(48,377,893)	76,419,744
Loss and total comprehensive expense for the year	–	–	–	–	(36,727,040)	(36,727,040)
At 31 December 2023 and 1 January 2024	8,640,000	110,657,638	5,499,999	–	(85,104,933)	39,692,704
Loss for the year	–	–	–	–	(28,695,979)	(28,695,979)
Other comprehensive income/(expense)						
Remeasurement of defined benefit obligations	–	–	–	–	3,165	3,165
Exchange differences arising on translation of a foreign operation	–	–	–	(199,611)	–	(199,611)
Total comprehensive expense for the year	–	–	–	(199,611)	(28,692,814)	(28,892,425)
Issue of shares upon share placing (Note 27(ii))	1,728,000	1,320,192	–	–	–	3,048,192
Transaction costs directly attributable to issue of shares upon share placing (Note 27(ii))	–	(45,982)	–	–	–	(45,982)
	1,728,000	1,274,210	–	–	–	3,002,210
At 31 December 2024	10,368,000	111,931,848	5,499,999	(199,611)	(113,797,747)	13,802,489

Note: Merger reserve represents the difference between the nominal amount of the share capital issued by World Super Holdings Limited (the "Company") and the nominal amount of the issued share capital of World Super Limited, a subsidiary which was acquired by the Company pursuant to the Group Reorganisation (as defined in the prospectus of the Company dated 27 June 2019).

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 HK\$	2023 HK\$
OPERATING ACTIVITIES		
Loss before tax	(28,688,321)	(38,887,071)
Adjustments for:		
Bank interest income	(13,903)	(40,495)
Depreciation on plant and equipment	3,416,133	5,722,409
Depreciation on right-of-use assets	689,715	459,345
Impairment losses under expected credit loss model, net	121,819	10,268,644
Impairment losses on plant and equipment	4,788,627	2,389,136
Impairment losses on right-of-use assets	424,614	–
Finance costs	389,464	790,340
Loss on disposal of plant and equipment	1,470,078	5,518,083
Provision of retirement benefit obligations	130,152	–
Operating cash flows before movements in working capital	(17,271,622)	(13,779,609)
Decrease in inventories	2,210	739,328
Increase in contract assets	(259,307)	(265,147)
(Increase)/decrease in trade and other receivables	(1,143,334)	1,074,832
Decrease/(increase) in loan receivables	3,312,000	(5,800,000)
Increase in trade and other payables	8,017,814	2,240,833
Net cash used in operating activities	(7,342,239)	(15,789,763)
INVESTING ACTIVITIES		
Payment for purchases of plant and equipment	(4,437,218)	(6,410,053)
Withdrawal of pledged bank deposits	1,514,257	1,408,889
Proceeds from disposal of plant and equipment	4,822,000	35,631,416
Receipt of deferred cash consideration from disposal of subsidiaries	–	3,000,000
Bank interest received	13,903	40,495
Net cash from investing activities	1,912,942	33,670,747

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 HK\$	2023 HK\$
FINANCING ACTIVITIES			
Interest paid	33	(385,947)	(790,340)
Borrowings raised	33	1,500,000	–
Repayment of borrowings	33	(2,483,795)	(5,267,856)
Repayment of obligations under finance leases	33	(2,413,017)	(7,738,057)
Proceeds from issue of shares upon share placing	27(i)	3,048,192	–
Transaction costs directly attributable to issue of shares upon share placing	27(i)	(45,982)	–
Repayment of lease liabilities	33	(670,242)	(472,191)
Advances from directors of the Company	33	1,528,439	41,300
Net cash from/(used) in financing activities		77,648	(14,227,144)
Net (decrease)/increase in cash and cash equivalents		(5,351,649)	3,653,840
Cash and cash equivalents at the beginning of the year		11,116,565	7,462,725
Effect of foreign exchange rate changes		(6,440)	–
Cash and cash equivalents at the end of the year		5,758,476	11,116,565
Cash and cash equivalents at the end of the year, represented by			
Bank balances and cash	20	5,758,476	11,116,565

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 26 February 2016. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 July 2019. The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of the Company's principal place of business is located at Unit 3403, 34/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group") are described in note 34.

These consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

Going concern consideration

The Group incurred a loss of HK\$28,695,979 for the year ended 31 December 2024 and, as at 31 December 2024, the Group had net current liabilities of HK\$4,439,524. These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the consolidated financial statements of the Group have been prepared on the going concern basis as the directors of the Company, based on the profit forecast and cash flows projection of the Group covering a period of not less than twelve months from 31 December 2024, are of the view that the Group will have sufficient working capital to finance its operations and to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 December 2024, after taking into consideration the followings:

- (a) the directors of the Company have agreed not to demand for repayment of the amounts due to them of HK\$1,569,739 as at 31 December 2024 until the Group has financial ability to do so;
- (b) after the end of the reporting period, the Group had obtained an additional loan facility of HK\$23,000,000, which was granted from another money lending company in Hong Kong with valid period up to 30 June 2026;
- (c) the Group continues to improve the operating efficiency by implementing plans and measures to tighten the cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flows from its operation in the future; and
- (d) the Group will consider to raise additional capital, as and when needed, by carrying out fund raising activities, to finance the operations of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION AND BASIS OF PREPARATION *(Continued)*

Going concern consideration *(Continued)*

Based on the above, in the opinion of the directors of the Company, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due at least the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above, which incorporate assumptions about future events and conditions that are subject to inherent uncertainties. Should the Group be unable to achieve the above plans and measures such that it would not be continued as a going concern, adjustments would have to be made to reduce 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, where applicable. The effect of these adjustments has not been reflected in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards, which the collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants (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 these consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Int 5 ("HK Int 5") (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

Application of amendments to HKFRS Accounting Standards *(Continued)*

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)

As a result of the adoption of the HKAS 1 Amendments, the Group changed its accounting policy for the classification of borrowings as below:

“Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the end of the reporting period do not affect the classification.”

This new policy did not result in a change in the classification of the Group’s borrowings. The Group did not make retrospective adjustments as a result of adopting the HKAS 1 Amendments.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new and amendments to HKFRS Accounting Standards and Int, which are not effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements. The Group has not early applied the followings which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contract Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new and amendments to HKFRS Accounting Standards and Int are expected to be in the period of initial application. Except for below, the amendments to HKFRS Accounting Standards are unlikely to have significant impact on these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective *(Continued)*

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of these consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, these consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

The material accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control or until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Investments in subsidiaries

Investments in subsidiaries presented in the Company's statement of financial position included in note 35 are stated at cost less identified impairment losses.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

For sales contract for which the control of the goods is transferred at a point in time, revenue is recognised when the customer obtains the physical possession and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Revenues from the sales of goods in the ordinary course of business is recognised when or as the control of the asset is transferred to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

Plant hiring income and car rental income from machinery and motor vehicles leasing under operating lease is recognised on a straight-line basis over the term of the relevant lease.

Revenue from construction contracts is recognised in accordance with the accounting policy set out under “Construction Contracts”.

Transportation and other services income are recognised when services are rendered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

Leases

Definition of 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.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Plant hiring income and car rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and such costs are recognised as an expense on a straight-line basis over the lease term.

Plant hiring income and car rental income which are derived from the Group’s ordinary course of business are presented as revenue.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office premises, director's accommodation, warehouses, plant and machinery that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses under HKAS 36, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item and included in plant and equipment as leased plant and machinery on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed lease payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities or obligations under finance lease as a separate line item on the consolidated statement of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)***Construction contracts**

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on real estate assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the output method, i.e. based on measurement of the value of services transferred to the customer to date. The measurement is based on surveys of specialised works and general building works completed by the Group to date as certified by architects, surveyors or other representatives appointed by the customers and adjusted by the estimated value of works which is yet to be certified. The directors of the Company consider that this output method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15.

The Group becomes entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference. There is no consideration of significant financing component in construction contracts with customers as the period between the recognition of revenue under the output method and the milestone payment is always less than one year.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group's major operations.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Retirement benefits cost

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme in Hong Kong. Contributions are made based on 5% of the employees' relevant income, subject to a ceiling of monthly relevant income of HK\$30,000 and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. 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.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under the "other income".

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)***Taxation *(Continued)***

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Plant and equipment

Plant and equipment are tangible assets that held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of plant and equipment or right-of-use assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price of inventories costs less the estimate costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Impairment on plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of plant and equipment and right-of-use assets, are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are 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 a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) Cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as bank overdrafts in the consolidated statement of financial position.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including trade and other receivables, bank balances and cash) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balance and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(ii) 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.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration their common risk characteristics, past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(i) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(ii) Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, bank borrowings, obligation under finance leases, bank overdrafts and lease liabilities) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the end of the reporting period.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the management of the Group are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgements in applying accounting policies

The following is the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Significant increase in credit risk

As explained in Note 3, ECL on financial assets other than trade receivables and contract assets are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. HKFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Going concern basis

The assessment of the going concern assumptions involves making judgements by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in note 1.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

Revenue recognition of construction contracts

As disclosed in Note 3, revenue recognition on a construction contract is based on the construction works completed by the Group and certified by architects, surveyors or other representatives appointed by the customers. At the end of reporting period, the management estimate the value of uncertified works based on surveys carried out by internal technicians and revisited with reference to certification subsequently performed by architects, surveyors or other representatives appointed by the customers. The Group regularly reviews and revises the estimation of construction contract progresses whenever there is any change in circumstances.

At the end of the reporting period, the Group's contract assets was amounted to HK\$504,284 (2023: HK\$262,459) (net of allowance for ECL of HK\$20,170) (2023: HK\$2,688).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The determination of the useful lives involves management's estimation. The Group assesses annually the useful lives of the plant and equipment and if the expectation differs from the original estimate, such a difference may impact the depreciation in the year and the estimate will be changed in the future period.

As at 31 December 2024 and 2023, the carrying values of plant and equipment are HK\$18,041,977 and HK\$28,235,988 respectively.

Impairment assessment on non-financial assets

The Group assesses annually whether plant and equipment and right-of-use assets have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment and right-of-use assets have been determined based on the higher of value-in-use calculations and fair value less cost of disposal if there is indication of impairment. The calculations and valuations require the use of judgement and estimates on future operating cash flows, discount rates and market data adopted.

For the year ended 31 December 2024, the impairment losses on plant and equipment and right-of-use assets recognised during the year amount to HK\$4,788,627 (2023: HK\$2,389,136) and HK\$424,614 (2023: HK\$Nil) respectively.

Provision of ECL for contract assets, trade receivables, other receivables and loan receivables

The ECL for contract assets, trade receivables, other receivables and loan receivables is based on the Group's historical default rates taking into consideration 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. In addition, receivables with significant balances and credit impaired are assessed for ECL individually.

The management of the Group has individually assessed all the receivables by taking into account the length of business relationship, reputation and repayment history of each of customers. Allowance for ECL regarding contract assets, other receivables, interest receivables and loan receivables amounting to HK\$17,482 (2023: HK\$2,688), HK\$Nil (2023: HK\$3,300,000), HK\$19,592 (2023: HK\$Nil) and HK\$105,222 (2023: HK\$81,249) and reversal for ECL regarding trade receivables amounting to HK\$20,477 (2023: allowance for ECL: HK\$6,884,707) were recognised during the year ended 31 December 2024 respectively.

The information about the ECL and the Group's impairment loss regarding trade receivables are disclosed in note 19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 HK\$	2023 HK\$
Financial assets		
<i>Amortised cost</i>		
Trade and other receivables	3,166,386	2,072,346
Loan receivables	2,301,529	5,718,751
Cash and cash equivalents	5,758,746	11,116,565
Pledged bank deposits	–	1,514,257
	11,226,661	20,421,919
Financial liabilities		
<i>Amortised cost</i>		
Trade and other payables	14,622,729	5,079,490
Borrowings	1,500,000	2,483,795
	16,122,729	7,563,285

(b) Financial risk management objectives and policies

The major financial instruments of the Group include trade and other receivables except prepayments, loan receivables, cash and cash equivalents, pledged bank deposits, trade and other payables except contract liabilities, and borrowings. The risks associated with these financial instruments include interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to pledged bank deposits, fixed-rate loan receivables and fixed-rate borrowings. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate gearing. During the years ended 31 December 2024 and 2023, the Group's gearing were denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Interest rate risk (Continued)

	2024 HK\$	% of total gearing	2023 HK\$	% of total gearing
Financial liabilities subject to fixed interest rate:				
– borrowings	1,500,000	100%	–	–
Financial liabilities subject to variable interest rate:				
– borrowings	–	–	2,483,795	100%
	1,500,000	100%	2,483,795	100%

During the year ended 31 December 2024, the Group has monitored the interest rate risk with the change of the balanced portfolio from fixed interest rate financial liabilities to variable interest rate financial liabilities with the view of the anticipated increase in market interest rate in the coming future.

The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments with variable interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis points (2023: 100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the interest rates had been 100 basis points (2023: 100 basis points) higher/lower and all other variables were held constant, the Group's loss before tax for the year ended 31 December 2024 would decrease/increase by HK\$57,465 (2023: HK\$86,328).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of the business transactions, assets and liabilities of the Group's entities are principally denominated in their respective functional currencies.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Credit risk

As at 31 December 2024 and 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group uses two categories for non-trade deposits and other receivables and loan receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

Category	Definition	Loss provision
Performing	Low risk of default and strong capacity to pay	12 month expected losses
Under-performing	Significant increase in credit risk, not credit-impaired	Lifetime expected losses
Non-performing (credit-impaired)	Repayments are 90 days past due or it becomes probable that the counter-party will enter bankruptcy	Lifetime expected losses
Write-off	Severe financial difficulty and no realistic prospect of recovery	Amount written off

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk (Continued)

Contract assets and trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. 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 due within 0–30 days (2023: 0–30 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

As at 31 December 2024, the Group has concentration of credit risk as 66% (2023: 88%) and 86% (2023: 97%) of the total contract assets and trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group measures loss allowances for contract assets and trade receivables at an amount equal to lifetime ECLs, under simplified approach using provision matrix. To measure the ECLs, contract assets and trade receivables have been grouped based on shared credit risk characteristic and the days past due.

Expected loss rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. It considers available reasonable and supportive forwarding-looking information.

Information regarding ECLs on contract assets and trade receivables are detailed in notes 17 and 18 respectively.

Loan receivables

In respect of loan receivables from clients, the objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. The Group manages and analyses the credit risk for each of their new and existing clients before standard payment terms and conditions are offered by assessing the credit quality of the customer, taking into account its financial position, past experience and other factors. The Group may request the customer to obtain corporate guarantee from other parties when necessary. Loan receivables balances are monitored on an ongoing basis, management reviews the recoverable amount of loan receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced. Interest income are usually billed on monthly basis.

Information regarding ECL on loan receivables is detailed in note 19.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk (Continued)

Deposits and other receivables

For deposits and other receivables, the management makes individual assessment on the recoverability of other receivables based on historical settlement records and the pay back ability of counterparty. The management performs periodic review to assess if there is any significant increase in credit risk of these amounts since initial recognition.

Information regarding ECL on deposits and other receivables is detailed in note 18.

Pledged bank deposits and bank balances

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and loan facilities deemed adequate by the management to finance the operations of the Group and mitigate the effect of fluctuations in cash flows.

The Group is exposed to liquidity risk as the Group incurred a loss of HK\$28,695,979 for the year ended 31 December 2024 and, as at 31 December 2024, the Group had current liabilities of HK\$4,439,524. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations and the details of which are set out in note 1.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities, lease liabilities and obligations under finance leases. The tables have been drawn up based on the undiscounted cash flows of financial liabilities, lease liabilities and obligations under finance leases based on the earliest date on which the Group can be required to pay. Specifically, borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the lenders choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk (Continued)

Liquidity risk analysis

	Weighted average interest rate %	On demand or less than 1 year HK\$	1 to 2 years HK\$	Total undiscounted cash flows HK\$	Carrying amounts HK\$
As at 31 December 2024					
Borrowings	15.00	1,612,192	–	1,612,192	1,500,000
Obligations under finance Leases	4.80	4,378	–	4,378	4,378
Trade and other payables	N/A	14,622,729	–	14,622,729	14,622,729
Lease liabilities	5.81	806,058	148,800	954,858	922,316
		17,045,357	148,800	17,194,157	17,049,423
As at 31 December 2023					
Bank borrowings	7.24	2,483,795	–	2,483,795	2,483,795
Obligations under finance Leases	5.12	2,417,395	–	2,417,395	2,417,395
Trade and other payables	N/A	5,079,490	–	5,079,490	5,079,490
Lease liabilities	5.81	513,072	448,938	962,010	911,175
		10,493,752	448,938	10,942,690	10,891,855

As at 31 December 2024, the Group's obligations under finance leases with repayment on demand clause of HK\$4,378 (2023: borrowings of HK\$2,483,795 and obligations under finance leases of HK\$2,417,395) are included in the "on demand or less than 1 year" time bank in the above maturity analysis. Taking into account the Group's consolidated financial position and past experience, the directors of the Company believe that it is not probable that the lenders will exercise their sole discretionary rights to demand for immediate repayment and obligations under finance leases (2023: borrowings and obligations under finance leases) will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

The following table details the Group's aggregate principal and interest cash outflows for obligations under finance leases (2023: borrowings and obligations under finance lease) with a repayment on demand clause which will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements. To the extent that interest rates are variable rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate %	On demand or less than 1 year HK\$	1 to 2 years HK\$	2 to 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amounts HK\$
As at 31 December 2024						
Obligations under finance leases	4.80	4,378	–	–	4,378	4,378
As at 31 December 2023						
Borrowings	7.24	2,584,265	–	–	2,584,264	2,483,795
Obligations under finance leases	5.12	1,879,188	629,176	–	2,508,364	2,417,395
		4,463,453	629,176	–	5,092,628	4,901,190

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION

Revenue

The Group's revenue represents the net amounts received or receivable for below business activities provided in the normal course of business, net of discounts and returns.

An analysis of the Group's revenue is as follows:

	2024 HK\$	2023 HK\$
Plant hiring income	5,333,709	9,910,419
Income from money lending business	818,932	420,000
General sales from trading of machinery, tools and parts	787,446	3,981,456
Construction services income (Note)	7,749,283	7,964,271
Transportation and other services income	46,000	812,300
Car rental income	1,471,469	–
	16,206,839	23,088,446

Note: The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for construction 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 construction services that had an original expected duration of one year or less.

Segment information

The Group has the following reporting segments:

1. Plant hiring services;
2. Money lending business;
3. General sales from trading of machinery, tools and parts;
4. Construction services;
5. Transportation and other services; and
6. Car rental services.

The Group commenced the business of car rental services during the year ended 31 December 2024.

The accounting policies of the reporting segments are the same as the Group's accounting policies described in note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results

For the year ended 31 December 2024

	Plant hiring services HK\$	Money lending business HK\$	General sales from trading of machinery, tools and parts HK\$	Construction services HK\$	Car rental services HK\$	Transportation and other services HK\$	Total HK\$
Revenue							
Segment revenue from external customers	5,333,709	818,932	787,446	7,749,283	1,471,469	46,000	16,206,839
Revenue recognition							
At a point in time under HKFRS 15	-	-	787,446	-	-	46,000	833,446
Over time under HKFRS 15	-	-	-	7,749,283	-	-	7,749,283
Other sources outside the scope of HKFRS 15	5,333,709	818,932	-	-	1,471,469	-	7,624,110
	5,333,709	818,932	787,446	7,749,283	1,471,469	46,000	16,206,839
Results							
Segment results	(6,466,074)	695,035	97,026	526,962	(1,772,864)	22,909	(6,897,006)
Loss on disposal of plant and equipment							(446,212)
Other unallocated income							279,007
Other unallocated expenses							(21,624,110)
Loss before tax							(28,688,321)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 December 2023

	Plant hiring services HK\$	Money lending business HK\$	General sales from trading of machinery, tools and parts HK\$	Construction services HK\$	Transportation and other services HK\$	Total HK\$
Revenue						
Segment revenue from external customers	9,910,419	420,000	3,981,456	7,964,271	812,300	23,088,446
Revenue recognition						
At a point in time under HKFRS 15	–	–	3,981,456	–	812,300	4,793,756
Over time under HKFRS 15	–	–	–	7,964,271	–	7,964,271
Other sources outside the scope of HKFRS 15	9,910,419	420,000	–	–	–	10,330,419
	9,910,419	420,000	3,981,456	7,964,271	812,300	23,088,446
Results						
Segment results	(14,771,538)	339,190	441,863	(1,503,282)	68,771	(15,424,996)
Loss on disposal of plant and equipment						(356,217)
Other unallocated income						237,411
Other unallocated expenses						(23,343,269)
Loss before tax						(38,887,071)

Segment results represent the profit earned by/(loss) from each reporting segment without allocation of certain loss on disposal of plant and equipment, certain bank interest income and other income, finance costs, selling and distribution expenses and other central unallocated administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

As at 31 December 2024

	Plant hiring services, general sales from trading of machinery, tools and parts, and transportation and other services income HK\$	Money lending business HK\$	Construction services HK\$	Car rental services HK\$	Total HK\$
Assets					
Segment assets	12,232,088	2,595,495	9,359,082	4,401,116	28,587,781
Unallocated corporate assets					2,417,480
Consolidated total assets					31,005,261
Liabilities					
Segment liabilities	(6,397,270)	(21,500)	(960,797)	(1,063,174)	(8,442,741)
Unallocated corporate liabilities					(8,760,031)
Consolidated total liabilities					(17,202,772)

As at 31 December 2023

	Plant hiring services, general sales from trading of machinery, tools and parts, and transportation and other services income HK\$	Money lending business HK\$	Construction services HK\$	Total HK\$
Assets				
Segment assets	26,366,105	9,937,509	9,257,696	45,561,310
Unallocated corporate assets				5,038,733
Consolidated total assets				50,600,043
Liabilities				
Segment liabilities	(7,001,878)	(61,500)	(1,228,576)	(8,291,954)
Unallocated corporate liabilities				(2,615,385)
Consolidated total liabilities				(10,907,339)

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to reporting segments other than certain unallocated other receivables and cash and cash equivalents while all liabilities are allocated to reporting segments other than certain unallocated other payables and borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2024

	Plant hiring services HK\$	Money lending business HK\$	General sales from trading of machinery, tools and parts HK\$	Construction services HK\$	Car rental services HK\$	Transportation and other services HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment results:								
Depreciation on plant and equipment	1,599,182	5,035	-	1,277,874	365,242	-	168,800	3,416,133
Depreciation on right-of-use assets	-	-	-	-	204,442	-	485,273	689,715
Loss on disposal of plant and equipment	1,023,866	-	-	-	-	-	446,212	1,470,078
Impairment losses on plant and equipment	4,788,627	-	-	-	-	-	-	4,788,627
Impairment losses on right-of-use assets	-	-	-	-	-	-	424,614	424,614
ECL	(157,985)	124,814	-	154,990	-	-	-	121,819
Bank interest income	9,818	917	-	763	114	-	2,291	13,903
Finance costs	247,813	-	-	-	20,395	-	121,256	389,464
Information about segment assets and liabilities:								
Additions to plant and equipment	604,678	-	-	-	3,832,540	-	-	4,437,218

For the year ended 31 December 2023

	Plant hiring services HK\$	Money lending business HK\$	General sales from trading of machinery, tools and parts HK\$	Construction services HK\$	Transportation and other services HK\$	Unallocated HK\$	Total HK\$
Amounts included in the measure of segment results:							
Depreciation on plant and equipment	4,645,448	5,035	-	871,385	-	200,541	5,722,409
Depreciation on right-of-use assets	-	-	-	-	-	459,345	459,345
Loss on disposal of plant and equipment	5,161,866	-	-	-	-	356,217	5,518,083
Impairment losses on plant and equipment	2,389,136	-	-	-	-	-	2,389,136
ECL	6,867,779	81,249	-	19,616	-	3,300,000	10,268,644
Bank interest income	24,225	439	-	793	-	15,038	40,495
Finance costs	790,340	-	-	-	-	-	790,340
Information about segment assets and liabilities:							
Additions to plant and equipment	20,681	-	-	6,389,372	-	-	6,410,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

6. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's revenue from customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue

	2024 HK\$	2023 HK\$
Hong Kong	14,735,370	23,088,446
Japan	1,471,469	–
	16,206,839	23,088,446

Non-current assets

	2024 HK\$	2023 HK\$
Hong Kong	14,709,071	29,145,876
Japan	3,810,163	–
	18,519,234	29,145,876

Information about major customers

Revenue from customers during the years ended 31 December 2024 and 2023 contributing over 10% of the total revenue of the Group is as follows:

	2024 HK\$	2023 HK\$
Plant hiring services		
Customer A (Note (ii))	1,646,963	N/A
Customer B (Note (i))	N/A	6,183,398
Customer C (Note (i))	N/A	2,650,000
Construction services		
Customer D	4,186,148	5,302,941
Customer E (Note (i))	N/A	2,661,330
Customer F (Note (ii))	3,563,135	N/A

Notes:

- (i) This customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2024.
- (ii) This customer did not contribute over 10% of the total revenue of the Group for the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

7. OTHER INCOME AND GAINS OR (LOSSES)

	2024	2023
	HK\$	HK\$
Bank interest income	13,903	40,495
Loss on disposal of plant and equipment	(1,470,078)	(5,518,083)
Others	276,716	222,373
	(1,179,459)	(5,255,215)

8. FINANCE COSTS

	2024	2023
	HK\$	HK\$
Interest on bank borrowings	100,587	390,666
Interest on bank overdraft	41,613	69,527
Interest on obligations under finance leases	66,459	315,470
Interest on lease liabilities	59,549	14,677
Interest on other borrowings	117,739	–
Interest expense on retirement benefit obligations	3,517	–
	389,464	790,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

9. INCOME TAX EXPENSE/(CREDIT)

	2024 HK\$	2023 HK\$
Current tax		
Japan Corporate Income Tax	7,658	–
Deferred taxation (Note 26)	–	(2,160,031)
	7,658	(2,160,031)

No provision for Hong Kong Profits Tax has been made since the subsidiaries of the Group incorporated in Hong Kong either incurred a loss for the year or had sufficient tax losses brought forward to set off against current year's assessable profits.

Japan Corporate Income Tax include national corporate income tax, inhabitant tax and enterprise tax and has been calculated on the estimated assessable profit for the year. During the year ended 31 December 2024, the effective rate of national corporate income tax, inhabitant tax, and enterprise tax resulted in statutory income tax rate of 34.1% (2023: Nil).

The Group is not subject to taxation in other jurisdictions.

The income tax expense/(credit) for the year can be reconciled from the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 HK\$	2023 HK\$
Loss before tax	(28,688,321)	(38,887,071)
Tax at domestic income tax rate of 16.5% (2023: 16.5%)	(4,733,573)	(6,416,367)
Tax effect of income not taxable for tax purpose	(28,343)	(8,863)
Tax effect of expenses not deductible for tax purpose	1,882,808	3,452,431
Tax effect of deductible temporary differences not recognised	1,507,446	–
Tax effect of utilisation of deductible temporary differences previously not recognised	–	(213,573)
Effect of different tax rates of subsidiaries	4,439	–
Tax effect of tax losses not recognised	1,499,559	1,026,341
Tax effect of utilisation of tax losses previously not recognised	(124,678)	–
Income tax expense/(credit) for the year	7,658	(2,160,031)

Details of deferred taxation are set out in note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

10. LOSS FOR THE YEAR

	2024 HK\$	2023 HK\$
Loss for the year has been arrived at after charging/(crediting):		
Directors' emoluments (Note 11)	3,996,978	3,485,016
Staff costs		
– Salaries, allowance and other benefits	7,465,991	7,164,023
– Bonus	–	285,200
– Retirement benefits scheme contributions	442,080	354,354
	7,908,071	7,803,577
Total staff costs (Note (a))	11,905,049	11,288,593
Auditor's remuneration		
– Audit services	750,000	1,300,000
– Audit services, under-provision of prior year	300,000	–
– Non-audit services	70,000	70,000
Cost of inventories recognised as an expense	690,420	3,539,593
Depreciation on plant and equipment (Note (b))	3,416,133	5,722,409
Depreciation on right-of-use assets	689,715	459,345
Short-term lease expenses	1,701,251	2,601,068
Impairment losses/(reversal of impairment losses) under ECL model on:		
– contract assets	17,482	2,688
– trade receivables	(20,477)	6,884,707
– other receivables	–	3,300,000
– interest receivables	19,592	–
– loan receivables	105,222	81,249

Notes:

- (a) Staff costs of HK\$1,817,257 (2023: HK\$2,176,035) for the year ended 31 December 2024 is included in cost of sales and services.
- (b) Depreciation on plant and equipment of HK\$2,952,284 (2023: HK\$4,147,111) for the year ended 31 December 2024 is included in cost of sales and services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company, during the years ended 31 December 2024 and 2023 are as follows:

	2024 HK\$	2023 HK\$
Directors' fees	597,333	479,516
Other emoluments:		
Salaries and allowance	3,330,645	2,952,667
Retirement benefits scheme contributions	69,000	52,833
	3,996,978	3,485,016

Note: No director of the Company has waived any emoluments for the years ended 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(a) Directors' emoluments and retirement benefits

For the year ended 31 December 2024

	Fee HK\$	Salaries and allowance HK\$	Retirement benefits scheme contributions HK\$	Total HK\$
Executive directors				
Sou Peng Kan Albert (<i>Chairman</i>)	–	1,560,000	–	1,560,000
Lau Lawrence Tak Sun	–	480,000	18,000	498,000
Lin Dongsheng	–	360,000	18,000	378,000
Zhang Wei (Note (i))	–	300,000	15,000	315,000
Chan Lok Yin (Note (iii))	–	630,000	18,000	648,000
Miao Yingjuan (Note (viii))	–	645	–	645
	–	3,330,645	69,000	3,399,645
Independent non-executive directors				
Chim Tak Lai	120,000	–	–	120,000
Du Min (Note (iv))	297,333	–	–	297,333
Chen Jie (Note (v))	180,000	–	–	180,000
	597,333	–	–	597,333
Total	597,333	3,330,645	69,000	3,996,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments and retirement benefits (Continued)

For the year ended 31 December 2023

	Fee HK\$	Salaries and allowance HK\$	Retirement benefits scheme contributions HK\$	Total HK\$
Executive directors				
Sou Peng Kan Albert (<i>Chairman</i>)	–	1,560,000	–	1,560,000
Lau Lawrence Tak Sun	–	480,000	18,000	498,000
Lin Dongsheng	–	360,000	18,000	378,000
Zhang Wei (Note (i))	–	156,667	7,833	164,500
Chan Lok Yin (Note (iii))	–	300,000	9,000	309,000
Fok Hei Yuen Paul (Note (iii))	–	96,000	–	96,000
	–	2,952,667	52,833	3,005,500
Independent non-executive directors				
Chim Tak Lai	120,000	–	–	120,000
Du Min (Note (iv))	148,065	–	–	148,065
Chen Jie (Note (v))	60,484	–	–	60,484
Lee Tak Fai Thomas (Note (vi))	80,000	–	–	80,000
Yue Wai Leung Stan (Note (vii))	70,967	–	–	70,967
	479,516	–	–	479,516
Total	479,516	2,952,667	52,833	3,485,016

Notes:

- (i) Zhang Wei was appointed as executive director of the Company on 23 June 2023.
- (ii) Chan Lok Yin was appointed as executive director of the Company on 30 June 2023.
- (iii) Fok Hei Yuen Paul resigned as executive director of the Company on 1 July 2023.
- (iv) Du Min was appointed as independent non-executive director of the Company on 3 August 2023.
- (v) Chen Jie was appointed as independent non-executive director of the Company on 31 August 2023 and resigned on 19 February 2025.
- (vi) Lee Tak Fai Thomas resigned as independent non-executive director of the Company on 31 August 2023.
- (vii) Yue Wai Leung resigned as independent non-executive director of the Company on 3 August 2023.
- (viii) Miao Yingjuan was appointed as executive director of the Company on 30 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

(b) Directors' termination benefits

During the year ended 31 December 2024, no termination benefits were paid to the directors of the Company (2023: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2024, no consideration was paid for making available the services of the directors of the Company (2023: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2024, there were no loans, quasi-loans or other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors of the Company (2023: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: Nil).

Five highest paid individuals

The five highest paid individuals with the highest emoluments in the Group include two directors (2023: one director) of the Company for the year ended 31 December 2024. Details of the emoluments of the remaining three (2023: four) highest paid individuals are set out below.

	Year ended 31 December	
	2024	2023
	HK\$	HK\$
Salaries, allowance and other benefits	2,743,800	3,210,600
Discretionary bonus	–	155,500
Retirement benefits scheme contributions	138,000	189,000
	2,881,800	3,555,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

Five highest paid individuals *(Continued)*

Their emoluments were within the following bands:

	2024 Number of employees	2023 Number of employees
Nil – HK\$1,000,000	1	2
HK\$1,000,001 – HK\$1,500,000	2	2
	3	4

No emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2024 and 2023. None of the directors of the Company or the chief executive of the Company waived or agreed to waive any emolument during the year ended 31 December 2024 and 2023.

12. DIVIDEND

No dividends were paid, declared or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

13. LOSS PER SHARE

Loss for the year

	2024 HK\$	2023 HK\$
Loss for the year attributable to owners of the Company for the purposes of calculating basic and diluted loss per share	(28,695,979)	(36,727,040)

Number of shares

	2024	2023 (Re-presented)
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	88,146,885	86,400,000

The weighted average number of ordinary shares of the Company in issue during the year ended 31 December 2023 was re-presented to reflect the effect of the share consolidation being effective on 26 November 2024 (note 27(ii)).

The Company did not have any potential ordinary shares outstanding during the years ended 31 December 2024 and 2023 and the diluted loss per share was equal to basic loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14. PLANT AND EQUIPMENT

	Furniture, fixtures and equipment Owned HK\$	Motor vehicles Owned HK\$	Plant and machinery Owned HK\$		Tools Owned HK\$	Total HK\$
				Leased HK\$		
COST						
At 1 January 2023	585,104	2,484,386	90,943,711	35,934,574	16,920,903	146,868,678
Additions	20,681	389,372	6,000,000	–	–	6,410,053
Disposals	–	–	(62,098,063)	(28,360,801)	(11,217,143)	(101,676,007)
At 31 December 2023 and 1 January 2024	605,785	2,873,758	34,845,648	7,573,773	5,703,760	51,602,724
Transfer	–	–	7,573,773	(7,573,773)	–	–
Additions	4,678	3,810,959	21,581	–	600,000	4,437,218
Disposals	(25,048)	(550,208)	(12,460,690)	–	(3,801,700)	(16,837,646)
Exchange differences	–	(147,712)	(836)	–	–	(148,548)
At 31 December 2024	585,415	5,986,797	29,979,476	–	2,502,060	39,053,748
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2023	469,802	1,401,323	50,563,885	18,667,274	4,679,415	75,781,699
Charge for the year	44,026	465,245	3,059,069	1,220,942	933,127	5,722,409
Impairment losses	–	–	1,800,136	589,000	–	2,389,136
Eliminated on disposals	–	–	(38,587,347)	(18,623,419)	(3,315,742)	(60,526,508)
At 31 December 2023 and 1 January 2024	513,828	1,866,568	16,835,743	1,853,797	2,296,800	23,366,736
Charge for the year	43,318	694,179	2,095,840	201,967	380,829	3,416,133
Transfer	–	–	2,055,764	(2,055,764)	–	–
Impairment losses	–	–	4,485,040	–	303,587	4,788,627
Eliminated on disposals	(23,924)	(183,403)	(9,026,538)	–	(1,311,703)	(10,545,568)
Exchange differences	–	(14,131)	(26)	–	–	(14,157)
At 31 December 2024	533,222	2,363,213	16,445,823	–	1,669,513	21,011,771
CARRYING VALUES						
At 31 December 2024	52,193	3,623,584	13,533,653	–	832,547	18,041,977
At 31 December 2023	91,957	1,007,190	18,009,905	5,719,976	3,406,960	28,235,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

14. PLANT AND EQUIPMENT *(Continued)*

The above items of plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and equipment	20%
Motor vehicles	20%
Plant and machinery	Over the relevant useful live, or 25 years whichever is the shorter
Tools	10%

Analysis of carrying values of plant and equipment held under finance leases is:

	As at 31 December 2024 HK\$	2023 HK\$
Plant and machinery	–	5,719,976

Impairment assessment

During the years ended 31 December 2024 and 2023, due to the sustainable losses were incurred in the plant hiring services segment, the Group performed an impairment assessment of the plant and machinery and right-of-use assets (collectively referred to as the “non-financial assets”) included in the segment. The recoverable amounts of non-financial assets have been determined based on the higher of their value in use and their fair value less cost of disposal of individual item of plant and machinery and right-of-use assets. As a result, impairment losses of HK\$4,788,627 (2023: HK\$2,389,136) and HK\$424,614 (2023: Nil) were recognised for plant and machinery and right-of-use assets associated with plant hiring services segment respectively. The calculation of value in use was based on the cash flow projections for each individual item of the non-financial assets which were approved by the directors of the Company and considered the estimated residual economic lives of the items. The estimated growth rate used does not exceed the long-term average growth rate adopted for the market.

Key assumptions used in the cash flow projection calculation are set out below:

	2024	2023
Sales growth rate	2%	2%
Net profit margin (% of revenue)	27.5%	48.6%
Pre-tax discount rate	12.7%	11.8%

The above key assumptions were used in the value in use calculation as at 31 December 2024 and 2023. The following describes each key assumption on which the management has based its cash flow projection to undertake the impairment assessment.

Sales growth rate – based on historical experience and compared to the long-term average growth rate.

Net profit margin – the basis used to determine the value assigned to the budgeted net profit margin expected to achieve.

Discount rate – the discount rate used is pre-tax and reflects specific risk relating to the business that the non-financial assets employed.

The directors of the Company believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of the non-financial assets to exceed its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

15. RIGHT-OF-USE ASSETS

	Leased properties HK\$
COST	
At 1 January 2023	1,014,151
Addition	925,542
Write-off upon completion of lease term	(1,014,151)
At 31 December 2023 and 1 January 2024	925,542
Addition	700,942
Exchange differences	(27,168)
At 31 December 2024	1,599,316
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 January 2023	570,460
Charge for the year	459,345
Write-off upon completion of lease term	(1,014,151)
At 31 December 2023 and 1 January 2024	15,654
Charge for the year	689,715
Impairment losses	424,614
Exchange differences	(7,924)
At 31 December 2024	1,112,059
CARRYING VALUES	
At 31 December 2024	477,257
At 31 December 2023	909,888

For all leases with a non-cancellable term of more than 12 months, unless the underlying asset is of low value, the Group as a lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

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

For both years, the Group leases office premises for its operations. Lease contracts are entered into for fixed term of 2 years (2023: 2 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Lease liabilities of HK\$922,316 (2023: HK\$911,175) are recognised with the related right-of-use assets of HK\$477,257 (2023: HK\$909,888) as at 31 December 2024. These lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The above item of right-of-use assets is depreciated on a straight-line basis over the relevant lease terms.

	2024 HK\$	2023 HK\$
Expense relating to short-term leases	1,701,251	2,601,068
Impairment losses	424,614	–
Depreciation on right-of-use assets	689,715	459,345
Interest on lease liabilities	59,549	14,677

In addition, lease liabilities of HK\$922,316 (2023: HK\$911,175) are recognised with related right-of-use assets of HK\$477,257 (2023: HK\$909,888) as at 31 December 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor and the relevant leased assets may not be used as security for borrowing purposes.

Details of the impairment assessment of right-of-use assets are set out in note 14.

16. INVENTORIES

	2024 HK\$	2023 HK\$
Spare parts	250,929	253,139

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

17. CONTRACT ASSETS

	2024 HK\$	2023 HK\$
Contract assets, gross	524,454	265,147
Less: Allowance for ECL	(20,170)	(2,688)
Contract assets, net	504,284	262,459

Contract assets represent the Group's rights to considerations from customers for the provision of construction services, which arise when the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts. The terms and conditions in relation to the release of retention vary from contract to contract, which is subject to practical completion, the expiry of the defect liability period on a pre-agreed time period. The Group does not hold any collateral as security. At the end of the reporting period, the amount of contract assets represent retention receivables and are expected to be recovered within one year.

The following table provides information about the Group's exposure to credit risk and allowance for ECL on contract assets:

	Expected loss rate %	Gross carrying amount HK\$	Loss allowance HK\$
Contract assets			
Current (not past due)			
As at 31 December 2024	3.85%	524,454	20,710
As at 31 December 2023	1.01%	265,147	2,688

The movement in the allowance for ECL on contract assets is as follows:

	2024 HK\$	2023 HK\$
At 1 January	2,688	—
Impairment losses recognised	17,482	2,688
At 31 December	20,170	2,688

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables:

	2024 HK\$	2023 HK\$
Trade receivables, gross		
– contracts with customers	1,937,359	607,557
– under HKFRS 16 leases	7,969,063	8,438,842
	9,906,422	9,046,399
Less: Allowance for ECL	(7,411,631)	(7,432,108)
Trade receivables, net	2,494,791	1,614,291
Interest receivables from money lending business, gross	261,409	60,000
Less: Allowance for ECL	(19,592)	–
Interest receivables from money lending business, net	241,817	60,000
Other receivables, gross (Note (i))	3,300,000	3,300,000
Less: Allowance for ECL of other receivables	(3,300,000)	(3,300,000)
Other receivables, net	–	–
Rental and utilities deposits paid (Note (ii))	429,778	398,055
Prepayments	504,423	516,650
	934,201	914,705
	3,670,809	2,588,996

Notes:

- (i) Other receivables represented the remaining un-settled amount of deferred cash consideration of HK\$6,300,000 from the disposal of 100% equity interest in Yummy Network Technology Company Limited completed on 29 April 2022, which would be settled in cash by the purchaser on 29 April 2023.
- (ii) The directors of the Company considered that the allowance for ECL on rental and utilities deposits paid will be immaterial to be recognised as at 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group allows a credit period of 0–30 days (2023: 0–30 days) to its customers. Before accepting any new customer, the Group makes enquiries to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed annually.

The following is an ageing analysis of trade receivable (net of allowance for ECL) presented based on the invoice date, which approximates to its respective revenue recognition dates:

	2024	2023
	HK\$	HK\$
Within 30 days	174,641	423,468
31 to 60 days	1,139,398	27,051
61 to 90 days	–	321,237
91 to 120 days	–	232,976
121 to 365 days	1,180,752	609,559
	2,494,791	1,614,291

At the end of the reporting period, the carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	2024	2023
	HK\$	HK\$
HK\$	3,239,567	2,588,996
Japanese Yen ("JPY")	431,242	–
	3,670,809	2,588,996

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER RECEIVABLES *(Continued)*

Reversal of impairment losses under ECL model on trade receivables of HK\$20,477 (2023: impairment losses under ECL model of HK\$6,884,707) has been recognised for the year ended 31 December 2024.

	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 365 days	Over 1 year	Total
As at 31 December 2024							
Expected loss rate (%)	0.42%	2.33%	N/A	N/A	8.22%	100%	
Gross carrying amount – trade receivables (HK\$)	175,370	1,166,539	–	–	1,286,442	7,278,071	9,906,422
Allowance for ECL on trade receivables	729	27,141	–	–	105,690	7,278,071	7,411,631
As at 31 December 2023							
Expected loss rate (%)	4.18%	1.14%	5.27%	8.72%	10.97%	100%	
Gross carrying amount – trade receivables (HK\$)	441,928	27,363	339,119	255,244	684,702	7,298,043	9,046,399
Allowance for ECL on trade receivables	18,460	312	17,882	22,268	75,143	7,298,043	7,432,108

Included in the Group's trade receivable balances were debtors with net carrying amount of HK\$2,320,150 (2023: HK\$1,190,823) which were past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group did not hold any collateral over these balances.

The movement in the allowance for ECL on trade receivables is as follows:

	2024 HK\$	2023 HK\$
At 1 January	7,432,108	7,425,395
Reversal upon write-off of trade receivables	–	(6,877,994)
Reversal of impairment losses	(20,477)	–
Impairment losses recognised	–	6,884,707
At 31 December	7,411,631	7,432,108

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

18. TRADE AND OTHER RECEIVABLES *(Continued)*

An analysis of the allowance for ECL on other receivables is as follows:

As at 31 December 2024

	Lifetime ECL – credit-impaired HK\$
Stage 3	3,300,000
Expected loss rate	100%
Allowance for ECL	3,300,000

As at 31 December 2023

	Lifetime ECL – credit-impaired HK\$
Stage 3	3,300,000
Expected loss rate	100%
Allowance for ECL	3,300,000

The movement in the allowance for ECL of other receivables is as follows:

	Stage 3 Lifetime ECL – credit impaired HK\$
As at 1 January 2023	–
Impairment losses recognised	3,300,000
As at 31 December 2023, 1 January 2024 and 31 December 2024	3,300,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. LOAN RECEIVABLES

	2024 HK\$	2023 HK\$
Loan receivables, gross	2,488,000	5,800,000
Less: Allowance for ECL	(186,471)	(81,249)
Loan receivables, net	2,301,529	5,718,751

The loan receivables had a loan period of 12 months and interest are payable on a monthly basis, bore fixed interest rate at 18% (2023: 18%) per annum and were repayable according to the loan agreements.

Loan receivables are guaranteed by corporate guarantee or personal guarantee.

At the end of the reporting period, the carrying amount of the Group's loan receivables are denominated in HK\$.

The following table provides information about the Group's exposure to credit risk and allowance for ECL on loan receivables:

As at 31 December 2024

	Expected loss rate %	Gross carrying Amount HK\$	Allowance for ECL HK\$
Loan receivables – Stage 2			
Lifetime ECL – not credit-impaired	7.49%	2,488,000	186,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

19. LOAN RECEIVABLES *(Continued)*

As at 31 December 2023

	Expected loss rate %	Gross carrying Amount HK\$	Allowance for ECL HK\$
Loan receivables – Stage 1			
12-month ECL	1.40%	5,800,000	81,249

The movement in the allowance for ECL of loan receivables is as follows:

	12-month ECL Stage 1 HK\$	Not credit-impaired Lifetime ECL Stage 2 HK\$	Total HK\$
At 1 January 2023	–	–	–
Impairment losses recognised	81,249	–	81,249
At 31 December 2023 and 1 January 2024	81,249	–	81,249
Transfer	(81,249)	81,249	–
Impairment losses recognised	–	105,222	105,222
At 31 December 2024	–	186,471	186,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

20. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

Cash and cash equivalents include demand deposits and short term deposits for the purpose of meeting the Group's short term cash commitments which carry interest at prevailing market interest rates as at 31 December 2024 and 2023.

As at 31 December 2023, pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group (note 22). Such pledged bank deposits carry interest with ranged from 0.85% to 0.98% per annum. The pledged bank deposits were released upon the full settlement of bank borrowings of the Group during the year ended 31 December 2024.

At the end of the reporting period, the carrying amount of the Group's cash and cash equivalents (including pledged bank deposits) are denominated in the following currencies:

	2024 HK\$	2023 HK\$
HK\$	5,598,627	12,629,451
JPY	159,707	–
Euro	122	1,371
United States dollars	20	–
	5,758,476	12,630,822

21. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables:

	2024 HK\$	2023 HK\$
Trade payables	2,978,174	1,055,213
Contract liabilities (Note (i))	15,484	15,484
Accruals and other payables	10,064,816	3,972,977
Amounts due to directors of the Company (Note (ii))	1,569,739	41,300
Deposits and temporary receipts	10,000	10,000
	14,638,213	5,094,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

21. TRADE AND OTHER PAYABLES *(Continued)*

Notes:

- (i) The contract liabilities primarily relate to the deposits or payments received in advance from customers for general sales from trading of machinery, tools and parts.
- (ii) The amounts due to directors of the Company are unsecured, non-interest bearing, and repayable on demand.

Payment terms granted by suppliers are 0–30 days (2023: 0–30 days) from the invoice date of the relevant purchases. The Group has liquidity risk management in place to ensure that all payables are settled within the credit timeframe.

The following is an ageing analysis of trade payables presented based on the invoice date:

	2024 HK\$	2023 HK\$
Within 30 days	22,258	301,943
31 to 60 days	139,258	8,021
61 to 90 days	194,985	44,955
Over 90 days	2,621,673	700,294
	2,978,174	1,055,213

At the end of the reporting period, the carrying amount of the Group's trade and other payables is denominated in the following currencies:

	2024 HK\$	2023 HK\$
HK\$	14,067,459	5,094,974
JPY	570,754	–
	14,638,213	5,094,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

22. BORROWINGS

	2024 HK\$	2023 HK\$
Secured bank borrowings	–	2,483,795
Other borrowings	1,500,000	–
	1,500,000	2,483,795
	2024 HK\$	2023 HK\$
Borrowings that contain a repayable on demand clause with the following repayment schedule:		
Within one year	1,500,000	2,483,795
More than one year but not more than two years	–	–
More than two years but not more than five years	–	–
	1,500,000	2,483,795
Less: Amount due within one year shown under current liabilities	(1,500,000)	(2,483,795)
Amount shown under non-current liabilities	–	–

The fixed-rate borrowings at 31 December 2024 carry interest at 15% per annum.

The variable-rate borrowings at 31 December 2023 carry interest ranging from 4.8% to 7.4% per annum.

As at 31 December 2023, the Group's secured bank borrowings were secured by the Group's plant and machinery with net carrying amount of HK\$4,376,864, which were fully repaid during the year ended 31 December 2024.

At the end of the reporting period, the carrying amounts of the Group's borrowings is denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

23. OBLIGATIONS UNDER FINANCE LEASES

	2024		2023	
	HK\$		HK\$	
Analysed for reporting purposes as:				
Current liabilities	4,378		2,417,395	
	Minimum lease payments		Present value of minimum lease payments	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
Within one year or contain repayable on demand clause	4,378	2,508,364	4,378	2,417,395
In the second to fifth year inclusive	–	–	–	–
	4,378	2,508,364	4,378	2,417,395
Less: future finance charges	–	(90,969)	–	–
Present value of finance leases obligations	4,378	2,417,395	4,378	2,417,395
Less: carrying values that due for settlement within twelve months or contain repayable on demand clause (shown under current liabilities)			(4,378)	(2,417,395)
Amount due shown under non-current liabilities			–	–

The Group acquires certain of its plant and machinery, and office equipment under finance leases. The average lease term entered by the Group for the leases outstanding as at 31 December 2024 is 5 years (2023: 5 years). Interest rates underlying all obligations under finance leases as at 31 December 2024 are 4.8% per annum (2023: ranged from 4.8% to 5.3% per annum).

At the end of the reporting period, the carrying amounts of the Group's obligations under finance leases are denominated in HK\$.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24. LEASES LIABILITIES

	2024	2023
	HK\$	HK\$
Analysed for reporting purposes as:		
Current liabilities	775,599	473,918
Non-current liabilities	146,717	437,257
	922,316	911,175

The incremental borrowing rates applied to lease liabilities is 5.81% per annum (2023: 5.81% per annum).

	Minimum lease payments		Present value of minimum lease payments	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
Amounts payable under lease liabilities				
Within one year	806,058	513,072	775,599	473,918
More than one year but less than two years	148,800	448,938	146,717	437,257
	954,858	962,010	922,316	911,175
Less: future finance charges	(32,542)	(50,835)	–	–
Present value of lease liabilities	922,316	911,175	922,316	911,175
Less: carrying values that due for settlement within twelve months (shown under current liabilities)			(775,599)	(473,918)
Amount due for settlement after twelve months (shown under non-current liabilities)			146,717	437,257

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

24. LEASES LIABILITIES (Continued)

As at the end of the reporting period, the carrying amounts of the Group's lease liabilities are denominated in the following currencies:

	2024 HK\$	2023 HK\$
HK\$	437,258	911,175
JPY	485,058	—
	922,316	911,175

25. RETIREMENT BENEFIT OBLIGATIONS

Obligation to pay long service payment ("LSP") under Hong Kong Employment Ordinance (Chapter 57)

Hong Kong employees that have been employed continuously for at least five years are entitled to long service payments in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at HK\$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to the mandatory provident fund ("MPF") scheme, with an overall cap of \$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

In June 2022, the Government gazetted the Amendment Ordinance, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP (the "Abolition"). The Abolition will officially take effect on 1 May 2025 (the "Transition Date"). Separately, the Government of the Hong Kong Special Administrative Region is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

25. RETIREMENT BENEFIT OBLIGATIONS *(Continued)*

Obligation to pay long service payment ("LSP") under Hong Kong Employment Ordinance (Chapter 57) *(Continued)*

	2024 HK\$
As at 1 January 2023, 31 December 2023 and 1 January 2024	–
Service cost recognised in profit or loss	
– current year	26,679
– past service cost	103,473
Interest cost	3,517
Remeasurements recognised in other comprehensive income – Actuarial gains arising from changes in financial assumptions	(3,165)
As at 31 December 2024	130,504

The average duration of the benefit obligation at 31 December 2024 is 0.84 year.

Significant actuarial assumptions for the determination of the LSP obligation are discount rate of 3.6%, expected salary increment of 3.15%. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 25 basis points higher (lower), the LSP obligation would decrease by HK\$2,057 (increase by HK\$2,107).
- If the expected salary increases (decreases) by 0.25%, the LSP obligation would increase by HK\$991 (decrease by HK\$970).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

26. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities/(assets) recognised and movements thereon:

	Accelerated tax depreciation HK\$	Tax losses HK\$	Total HK\$
At 1 January 2023	10,896,722	(8,736,691)	2,160,031
Debited/(credited) to profit or loss (Note 9)	(7,034,025)	4,873,994	(2,160,031)
At 31 December 2023 and 1 January 2024	3,862,697	(3,862,697)	–
Debited/(credited) to profit or loss (Note 9)	(2,164,999)	2,164,999	–
At 31 December 2024	1,697,698	(1,697,698)	–

At the end of reporting period, the Group has unused tax losses of HK\$40,434,198 (2023: HK\$32,101,586) available for offset against future profits that may be carried forward indefinitely. A deferred tax asset has been recognised in respect of HK\$10,289,078 (2023: HK\$23,410,285) of such losses. No deferred tax asset has been recognised in respect of the remaining HK\$30,145,120 (2023: HK\$8,691,301) due to the unpredictability of future profit streams.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

27. SHARE CAPITAL

	Nominal value per share HK\$	Number of shares	Nominal value HK\$
Ordinary shares			
<i>Authorised:</i>			
At 1 January 2023, 31 December 2023 and 1 January 2024	0.01	8,000,000,000	80,000,000
Adjustment on share consolidation (Note (ii))		(7,200,000,000)	–
At 31 December 2024	0.1*	800,000,000	80,000,000
<i>Issued and fully paid:</i>			
At 1 January 2023, 31 December 2023 and 1 January 2024	0.01	864,000,000	8,640,000
Issue of shares upon share placing (Note (i))	0.01	172,800,000	1,728,000
Adjustment on share consolidation (Note (ii))		(933,120,000)	–
At 31 December 2024	0.1*	103,680,000	10,368,000

* Adjusted as a result of the share consolidation (note (ii))

Notes:

- (i) On 4 October 2024, the Company and a placing agent entered into a placing agreement pursuant to which the placing agent to procure not less than six placees to subscribe up to 172,800,000 placing shares at a price of HK\$0.01764 per placing share (the "Placing"). The Placing was completed on 25 November 2024. The net proceeds from the Placing are HK\$3,002,210, after deducting the directly attributable costs of HK\$45,982.
- (ii) An ordinary resolution was passed at the extraordinary general meeting of the Company held on 22 November 2024 approving the share consolidation on the basis of that every ten issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one share of HK\$0.1 (the "Share Consolidation") with effective on 26 November 2024. Following the Share Consolidation, the Company's authorised share capital was consolidated from 8,000,000,000 shares of HK\$0.01 each to 800,000,000 shares of HK\$0.1 each, and its issued share capital was consolidated from 1,036,800,000 shares of HK\$0.01 each to 103,680,000 shares of HK\$0.1 each.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

28. OPERATING LEASE COMMITMENTS

The Group as a lessor

At the end of the reporting period, the Group had contracted for the following future minimum leasing income under non-cancellable operating leases which fall due as follows:

	2024 HK\$	2023 HK\$
Within one year	118,597	562,692

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the years ended 31 December 2024 and 2023.

The capital structure of the Group consists of debts, which includes borrowings, obligations under finance leases and lease liabilities as disclosed in notes 22, 23 and 24, respectively, net of bank balances and cash, and equity.

The management of the Group reviews the capital structure periodically. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and the issue of new shares, new debts or the redemption of existing debts.

The only externally imposed capital requirement for the Group is that to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares. Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, the Company has maintained a sufficient public float of at least 25% throughout the year ended 31 December 2024.

30. RETIREMENT BENEFITS PLANS

The Group contributes to MPF Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of HK\$1,500 per month or 5% of relevant payroll costs to the MPF Scheme.

During the year ended 31 December 2024, the total expense recognised in the consolidated statement of profit or loss and other comprehensive income is HK\$380,928 (2023: HK\$407,187), which represent contributions payable to the scheme by the Group at rates specified in the rules of the schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

30. RETIREMENT BENEFITS PLANS *(Continued)*

The employees of the Group's subsidiary which operated in Japan are required to participate in a central pension scheme operated by a government affiliated corporation (the "National Pension Scheme"), which is considered as a defined contribution plan and the subsidiary is required to contribute certain percentage of employees' salaries to the National Pension Scheme. The Group has no further payment obligations once the contributions have been paid.

All contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees and when they fall due under the relevant regulations. No forfeited contributions could be used by employer to reduce the existing level of contributions.

31. RELATED PARTY DISCLOSURES

Save as disclosed elsewhere in the consolidated financial statements, the Group has no significant related party transactions and balances for the years ended 31 December 2024 and 2023. Balance with related parties is disclosed in the consolidated statements of financial position and related notes.

The Company's key management personnel are the directors of the Company and their remunerations are disclosed in note 11.

32. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to a resolution passed on 21 June 2019. The purpose of the Share Option Scheme is to attract and retain or otherwise maintaining on-going business relationships with, and to provide incentive to eligible participants(s) including employees (full-time and part-time), executives or officers, directors, advisers, consultants, suppliers, customers, agent and other persons approved by the board of directors, to optimize their performance and efficiency for the benefit of the Group.

The board of directors may, at its absolute discretion, offer to grant an option to eligible participant(s) to subscribe for the shares of the Company at an exercise price and subject to the other terms of the Share Option Scheme. The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other schemes of the Group must not in aggregate exceed 10% of the total number of shares in issue at the time dealings in the shares of the Company first commence on the Stock Exchange. The total number of shares issued and to be issued upon the exercise of the options granted to a participant in any 12-month period must not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of the individual limit must be subject to shareholders' approval.

The Share Option Scheme will remain in force for a period of ten years from its adoption date.

No options were granted or exercised during the years ended 31 December 2024 and 2023 and no share options were outstanding as at 31 December 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2024, the Group entered into new lease arrangements for the use of office premises for the term of 2 years (2023: 2 years). On the lease commencement, the Group recognised of HK\$700,942 (2023: HK\$925,542) of right-of-use assets and lease liabilities.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those 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.

	Bank overdraft interest payable HK\$	Borrowings HK\$	Obligations under finance leases HK\$	Lease liabilities HK\$	Amounts due to directors HK\$	Total HK\$
At 1 January 2023	–	7,751,651	10,155,452	457,824	–	18,364,927
Interest paid	(69,527)	(390,666)	(315,470)	(14,677)	–	(790,340)
Repayment of borrowings	–	(5,267,856)	–	–	–	(5,267,856)
Repayment of obligations under finance leases	–	–	(7,738,057)	–	–	(7,738,057)
Advances from directors of the Company	–	–	–	–	41,300	41,300
Repayment of lease liabilities	–	–	–	(472,191)	–	(472,191)
Non-cash transactions:					–	
Interest expenses	69,527	390,666	315,470	14,677	–	790,340
Addition to lease liabilities	–	–	–	925,542	–	925,542
At 31 December 2023 and 1 January 2024	–	2,483,795	2,417,395	911,175	41,300	5,853,665
Interest paid	(41,613)	(218,326)	(66,459)	(59,549)	–	(385,947)
Repayment of borrowings	–	(2,483,795)	–	–	–	(2,483,795)
Repayment of obligations under finance leases	–	–	(2,413,017)	–	–	(2,413,017)
Advances from directors of the Company	–	–	–	–	1,528,439	1,528,439
Repayment of lease liabilities	–	–	–	(670,242)	–	(670,242)
Borrowings raised	–	1,500,000	–	–	–	1,500,000
Non-cash transactions:						
Addition to lease liabilities	–	–	–	700,942	–	700,942
Interest expenses	41,613	218,326	66,459	59,549	–	385,947
Exchange differences	–	–	–	(19,559)	–	(19,559)
At 31 December 2024	–	1,500,000	4,378	922,316	1,569,739	3,996,433

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(c) Total cash outflow for leases

Amounts included in the consolidated statement of cash flows for leases comprise the following:

	2024 HK\$	2023 HK\$
Within operating cash flows	1,760,800	2,615,745
Within financing cash flows	670,242	472,191
	2,431,042	3,087,936

These amounts related to the following:

	2024 HK\$	2023 HK\$
Lease rental paid in respect of finance leases	729,791	486,868
Lease rental paid in respect of short-term lease	1,701,251	2,601,068
	2,431,042	3,087,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. PARTICULARS OF SUBSIDIARIES/INVESTMENT IN SUBSIDIARIES

	2024 HK\$	2023 HK\$
Unlisted shares, at cost less provision	–	–

At 31 December 2024 and 2023, the Company has direct and indirect equity interests in the following subsidiaries:

Name of subsidiary	Place/country of incorporation	Nominal value of issued capital/ Registered capital	Equity interest attributable to the Company				Principal activities and place of operation
			Directly		Indirectly		
			2024	2023	2024	2023	
			HK\$	HK\$	HK\$	HK\$	
New Pilot Global Limited	BVI	US\$10	100	100	–	–	Investment holding, HK
World Super Limited	HK	HK\$5,500,000	–	–	100	100	Hire and trading of machinery and transportation and provision of service, HK
World Super Capital Limited	HK	HK\$10,000	100	100	–	–	Money lending business, HK
Richmax Construction Engineering Limited	HK	HK\$1	100	100	–	–	Provision of construction works, which included foundation works and ancillary services, HK
Rise Mind Limited	HK	HK\$1	100	100	–	–	Investment holding, HK
Success Dragon Holdings Limited	HK	HK\$1	100	100	–	–	Investment holding, HK
Max Super Holdings Limited	HK	HK\$1	100	100	–	–	Inactive, HK
Meisawa Co., Ltd	Japan	JP¥10,000,000	–	–	100	–	Car rental business, Japan

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	NOTES	2024 HK\$	2023 HK\$
Non-current asset			
Investments in subsidiaries	34	–	–
Current assets			
Amounts due from subsidiaries		8,218,905	7,073,405
Prepayments and other receivables		27,088	167,662
Bank and cash balances		170,469	3,121,943
		8,416,462	10,363,010
Current liabilities			
Other payables		7,118,774	2,609,085
Amount due to a subsidiary		9,831,830	9,793,331
Borrowings		1,500,000	–
		18,450,604	12,402,416
Net current liabilities		(10,034,142)	(2,039,406)
Total assets less current liabilities		(10,034,142)	(2,039,406)
Net liabilities		(10,034,142)	(2,039,406)
Capital and reserves			
Share capital	27	10,368,000	8,640,000
Share premium	36	117,431,847	116,157,637
Accumulated losses	36	(137,833,989)	(126,837,043)
Capital deficit		(10,034,142)	(2,039,406)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

36. COMPANY'S STATEMENT OF CHANGES IN EQUITY

The followings are the movements of the Company's equity for the years ended 31 December 2024 and 2023:

	Issued capital HK\$	Share premium HK\$	Accumulated losses HK\$	Total HK\$
At 1 January 2023	8,640,000	116,157,637	(100,853,945)	23,943,692
Loss for the year	–	–	(25,983,098)	(25,983,098)
At 31 December 2023 and 1 January 2024	8,640,000	116,157,637	(126,837,043)	(2,039,406)
Issue of shares upon share placing (Note 27(i))	1,728,000	1,320,192	–	3,048,192
Transaction costs directly attributable to issue of shares by upon share placing (Note 27(i))	–	(45,982)	–	(45,982)
Loss for the year	–	–	(10,996,946)	(10,996,946)
At 31 December 2024	10,368,000	117,431,847	(137,833,989)	(10,034,142)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

37. PLEDGE OF ASSETS

The Group's borrowings, bank overdrafts and obligations under finance leases had been secured by the pledge of the Group's assets and the carrying values of the respective assets are as follows:

	2024 HK\$	2023 HK\$
Plant and equipment-owned plant and machinery	–	4,376,864
Plant and equipment-leased plant and machinery	–	5,719,976
Pledged bank deposits	–	1,514,257
	–	11,611,097

38. COMPARATIVE FIGURES

Certain financial figures in the consolidated financial statements have been reclassified to conform to current year's presentation.